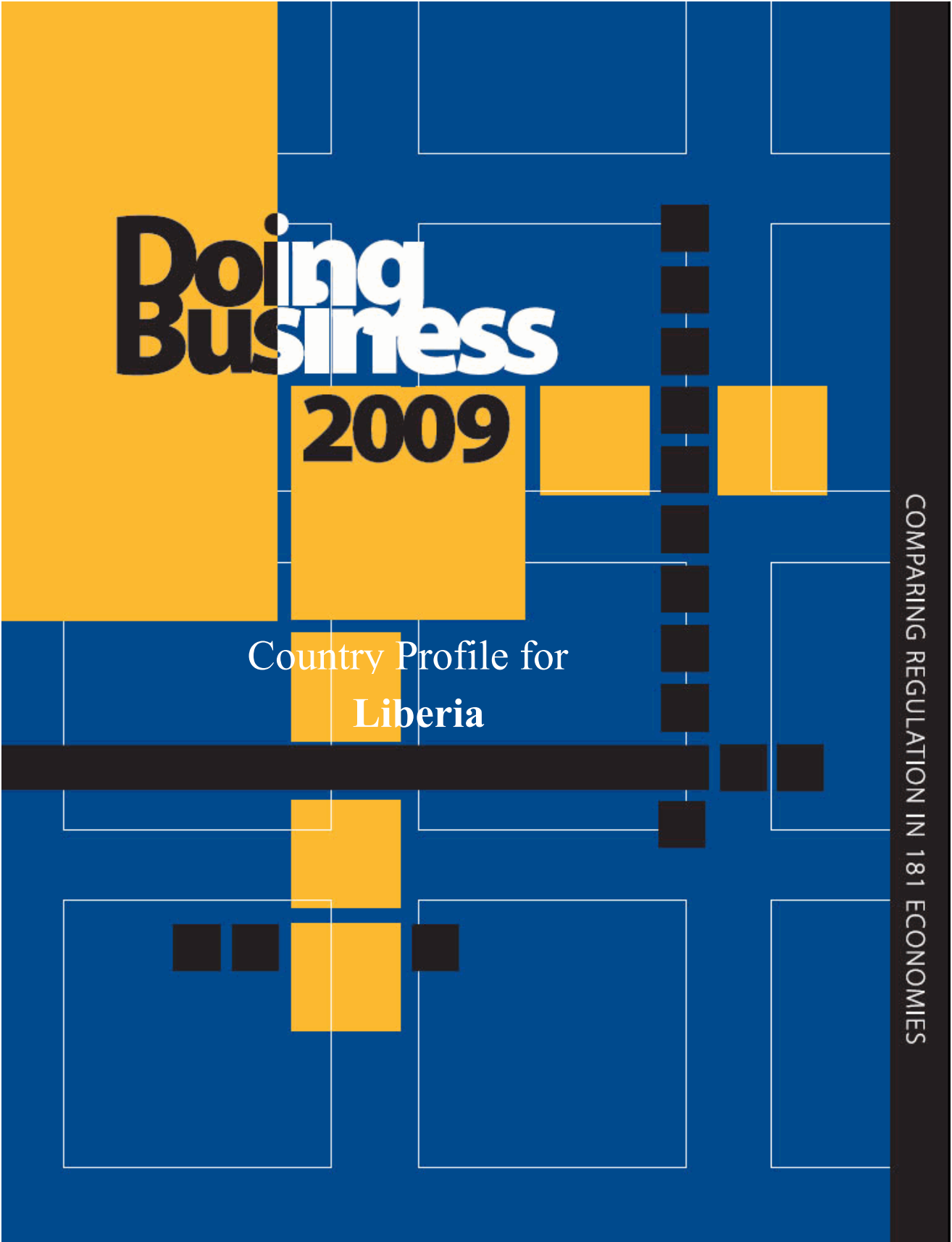


Doing Business

2009

Country Profile for Liberia

COMPARING REGULATION IN 181 ECONOMIES



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Introduction

Doing Business 2009 is the sixth in a series of annual reports investigating regulations that enhance business activity and those that constrain it. Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 181 economies, from Afghanistan to Zimbabwe, over time.

A set of regulations affecting 10 stages of a business's life are measured : starting a business, dealing with construction permits, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in Doing Business 2009 are current as of June 1, 2008*. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The Doing Business methodology has limitations. Other areas important to business such as an economy's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions, are not studied directly by Doing Business. To make the data comparable across economies, the indicators refer to a specific type of business, generally a local limited liability company operating in the largest business city. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policymakers in designing reform.

The data set covers 181 economies: 46 in Sub-Saharan Africa, 32 in Latin America and The Caribbean, 25 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 19 in the Middle East and North Africa and 8 in South Asia, as well as 27 OECD high-income economies as benchmarks.

The following pages present the summary Doing Business indicators for Liberia. The data used for this country profile come from the Doing Business database and are summarized in graphs. These graphs allow a comparison of the economies in each region not only with one another but also with the "good practice" economy for each indicator.

The good-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other countries. These good-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 10.

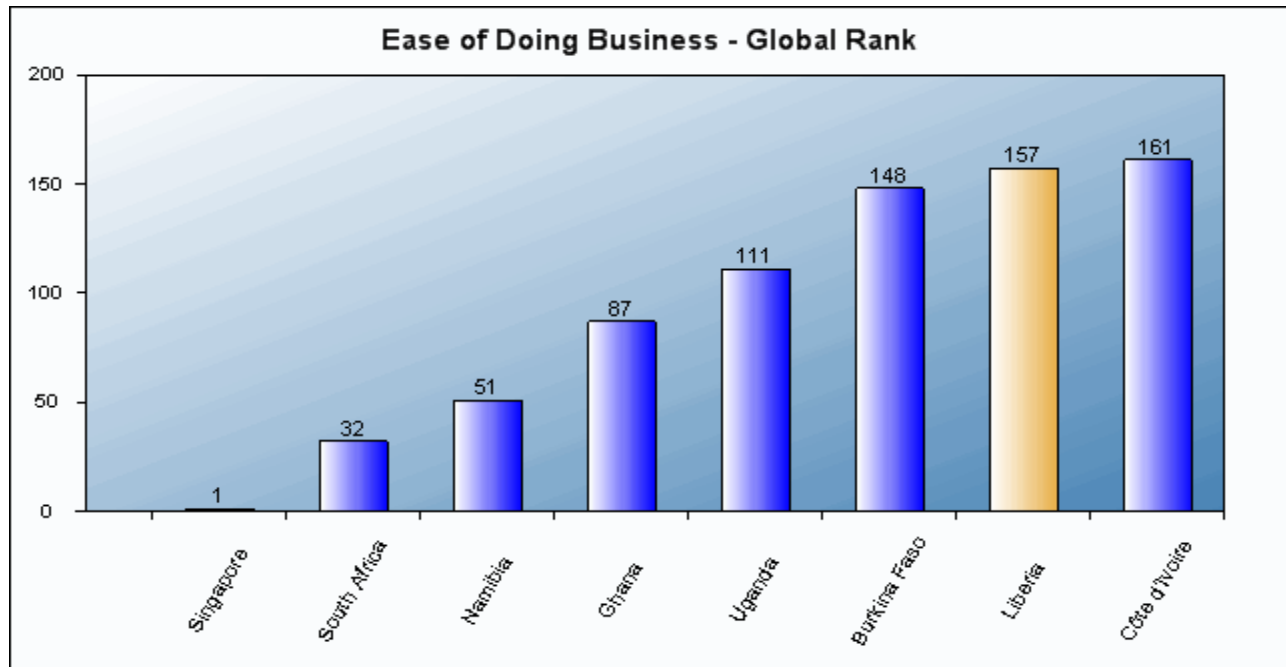
More information is available in the full report. Doing Business 2009 presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the Doing Business website (www.doingbusiness.org).

* Except for the Paying Taxes indicator that refers to the period January to December of 2007.

Economy Rankings - Ease of Doing Business

Liberia is ranked 157 out of 181 economies. Singapore is the top ranked economy in the Ease of Doing Business.

Liberia - Compared to global good practice economy as well as selected economies:



Liberia's ranking in Doing Business 2009

Rank	Doing Business 2009
Ease of Doing Business	157
Starting a Business	88
Dealing with Construction Permits	177
Employing Workers	105
Registering Property	172
Getting Credit	131
Protecting Investors	142
Paying Taxes	59
Trading Across Borders	115
Enforcing Contracts	165
Closing a Business	146

Summary of Indicators - Liberia

Starting a Business	Procedures (number)	8
	Duration (days)	27
	Cost (% GNI per capita)	100.2
	Paid in Min. Capital (% of GNI per capita)	0.0
Dealing with Construction Permits	Procedures (number)	25
	Duration (days)	321
	Cost (% of income per capita)	60988.7
Employing Workers	Difficulty of Hiring Index	33
	Rigidity of Hours Index	20
	Difficulty of Firing Index	40
	Rigidity of Employment Index	31
	Firing costs (weeks of salary)	84
Registering Property	Procedures (number)	13
	Duration (days)	50
	Cost (% of property value)	14.7
Getting Credit	Legal Rights Index	4
	Credit Information Index	1
	Public registry coverage (% adults)	0.3
	Private bureau coverage (% adults)	0.0
Protecting Investors	Disclosure Index	4

Protecting Investors	Director Liability Index	1
	Shareholder Suits Index	6
	Investor Protection Index	3.7
Paying Taxes	Payments (number)	32
	Time (hours)	158
	Profit tax (%)	25.1
	Labor tax and contributions (%)	5.4
	Other taxes (%)	5.3
	Total tax rate (% profit)	35.8
Trading Across Borders	Documents for export (number)	10
	Time for export (days)	20
	Cost to export (US\$ per container)	1232
	Documents for import (number)	9
	Time for import (days)	17
	Cost to import (US\$ per container)	1212
Enforcing Contracts	Procedures (number)	41
	Duration (days)	1280
	Cost (% of claim)	35.0
Closing a Business	Time (years)	3.0
	Cost (% of estate)	43
	Recovery rate (cents on the dollar)	8.3



Starting a Business

When entrepreneurs draw up a business plan and try to get under way, the first hurdles they face are the procedures required to incorporate and register the new firm before they can legally operate. Economies differ greatly in how they regulate the entry of new businesses. In some the process is straightforward and affordable. In others the procedures are so burdensome that entrepreneurs may have to bribe officials to speed the process or may decide to run their business informally.

The data on starting a business is based on a survey and research investigating the procedures that a standard small to medium-size company needs to complete to start operations legally. These include obtaining all necessary permits and licenses and completing all required inscriptions, verifications and notifications with authorities to enable the company to formally operate. The time and cost required to complete each procedure under normal circumstances are calculated, as well as the minimum capital that must be paid in. It is assumed that all information is readily available to the entrepreneur, that there has been no prior contact with officials and that all government and nongovernment entities involved in the process function without corruption.

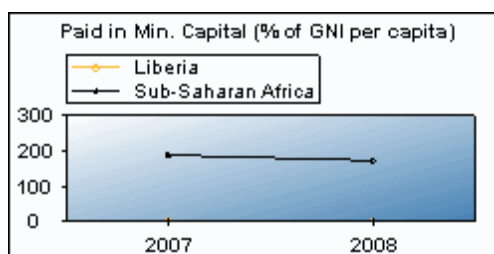
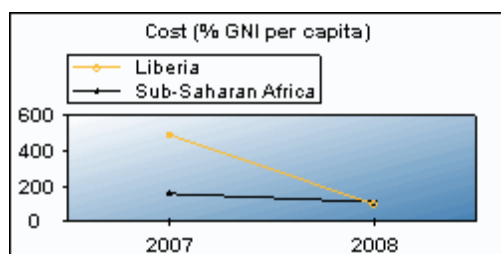
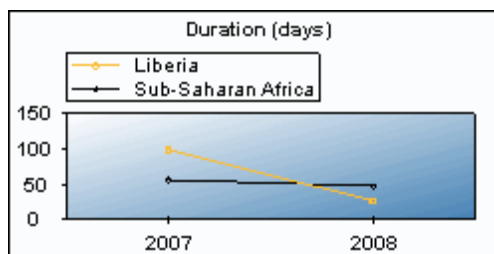
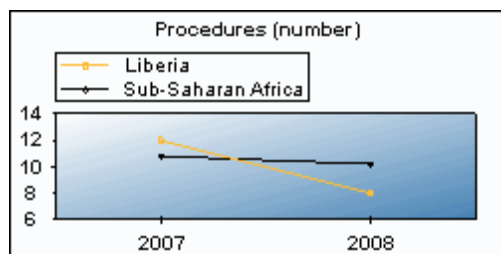
To make the data comparable across economies, detailed assumptions about the type of business are used. Among these assumptions are the following: the business is a limited liability company conducting general commercial activities in the largest business city; it is 100% domestically owned, with a start-up capital of 10 times income per capita, a turnover of at least 100 times income per capita and between 10 and 50 employees; and it does not qualify for any special benefits, nor does it own real estate. Procedures are recorded only where interaction is required with an external party. It is assumed that the founders complete all procedures themselves unless professional services (such as by a notary or lawyer) are required by law. Voluntary procedures are not counted, nor are industry-specific requirements and utility hook-ups. Lawful shortcuts are counted.

Cumbersome entry procedures are associated with more corruption, particularly in developing economies. Each procedure is a point of contact, a potential opportunity to extract a bribe. Analysis shows that burdensome entry regulations do not increase the quality of products, make work safer or reduce pollution. Instead, they constrain private investment; push more people into the informal economy; increase consumer prices and fuel corruption.

1. Historical data: Starting a Business in Liberia

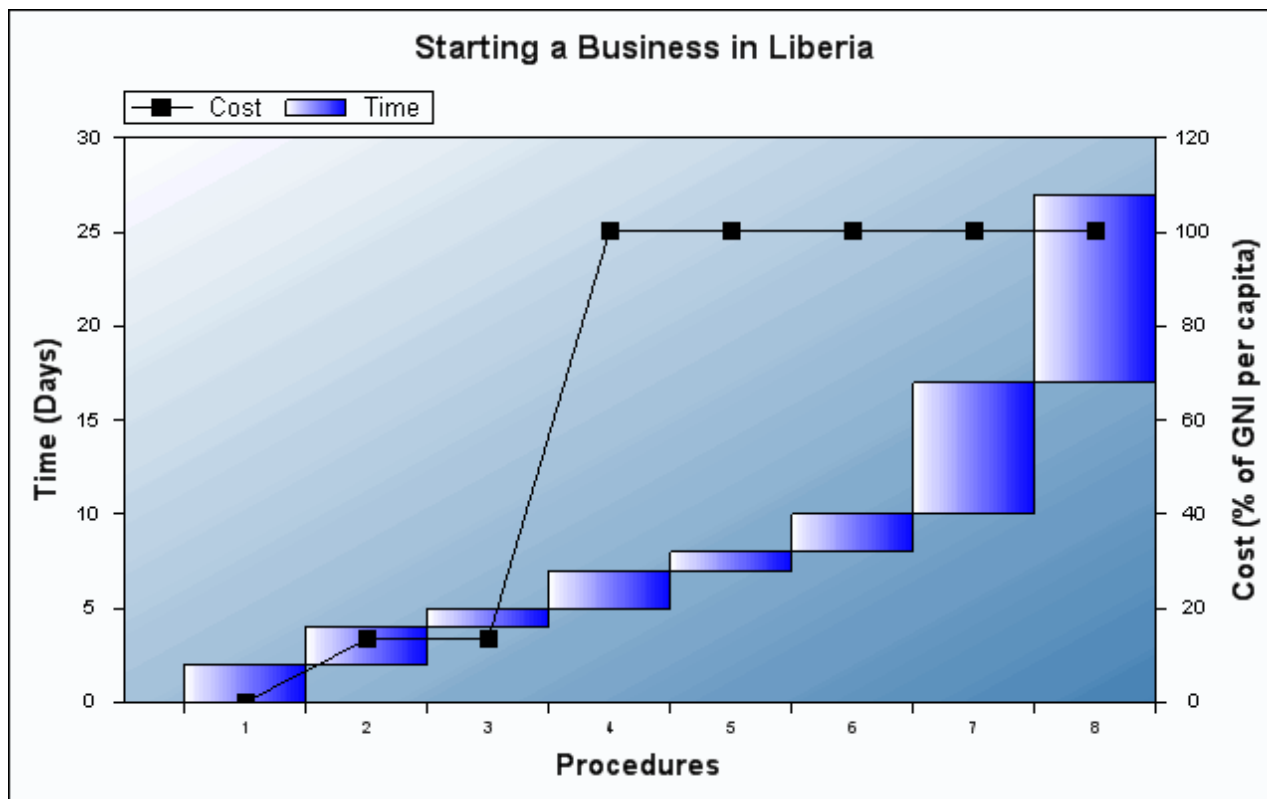
Starting a Business data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		145	88
Procedures (number)		12	8
Duration (days)		99	27
Cost (% GNI per capita)		493.3	100.2
Paid in Min. Capital (% of GNI per capita)		0.0	0.0

2. The following graphs illustrates the Starting a Business indicators in Liberia over the past 3 years:



3. Steps to Starting a Business in Liberia

It requires 8 procedures, takes 27 days, and costs 100.22 % GNI per capita to start a business in Liberia.



List of Procedures:

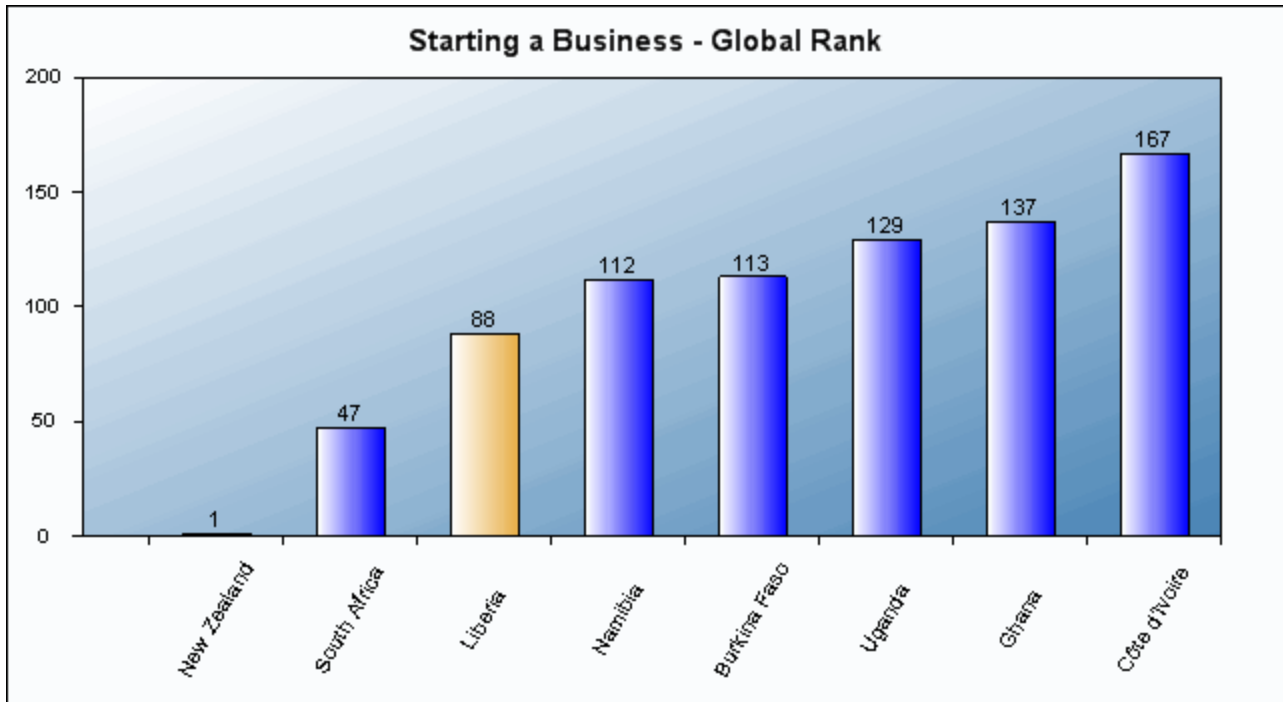
1. Reserve company name and file Articles of Incorporation at the Ministry of Foreign Affairs desk at the Ministry of Finance
2. Obtain TIN and pay fees at the Ministry of Finance
3. Obtain Ministry of Foreign Affairs' approval
4. Submit registration application to Ministry of Commerce (MOCI) and pick up payment slip
5. Pay fees at the Ministry of Finance annex of the central bank
6. Obtain formal registration from MOCI
7. Register with Social Security
8. Obtain Environmental Impact Assessment

More detail is included in the appendix.

4. Benchmarking Starting a Business Regulations:

Liberia is ranked 88 overall for Starting a Business.

Ranking of Liberia in Starting a Business - Compared to good practice and selected economies:



The following table shows Starting a Business data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Duration (days)	Cost (% GNI per capita)	Paid in Min. Capital (% of GNI per capita)
Denmark			0.0	
New Zealand*	1	1		0.0

<i>Selected Economy</i>				
Liberia	8	27	100.2	0.0

<i>Comparator Economies</i>				
Burkina Faso	5	16	62.3	458.8
Côte d'Ivoire	10	40	135.1	215.9
Ghana	9	34	32.7	16.6
Namibia	10	66	22.1	0.0
South Africa	6	22	6.0	0.0
Uganda	18	25	100.7	0.0

* The following economies are also good practice economies for :

Procedures (number): Canada

Dealing with Construction Permits

Once entrepreneurs have registered a business, what regulations do they face in operating it? To measure such regulation, Doing Business focuses on the construction sector. Construction companies are under constant pressure; from government to comply with inspections and with licensing and safety regulations and from customers to be quick and cost-effective. These conflicting pressures point to the tradeoff in building regulation; the tradeoff between protecting people (construction workers, tenants, passersby) and keeping the cost of building affordable. Striking the right balance is a challenge when it comes to construction regulations. Good regulations ensure safety standards that protect the public while making the permitting process efficient, transparent and affordable for both building authorities and the private professionals who use it. If procedures are overly complicated or costly, builders build without a permit, leading to hazardous construction.

The indicators on dealing with construction permits record all procedures officially required for an entrepreneur in the construction industry to build a warehouse. These include submitting project documents (building plans, site maps) to the authorities, obtaining all necessary licenses and permits, completing all required notifications and receiving all necessary inspections. They also include procedures for obtaining utility connections, such as electricity, telephone, water and sewerage. The time and cost to complete each procedure under normal circumstances are calculated. All official fees associated with legally completing the procedures are included (bribes not included). Time is recorded in calendar days. The survey assumes that the entrepreneur is aware of all existing regulations and does not use an intermediary to complete the procedures unless required to do so by law. To make the data comparable across economies, several assumptions about the business and its operations are used. The business is a small to medium-size limited liability company, located in the most populous city, domestically owned and operated, in the construction business, with 60 qualified employees. The warehouse to be built:

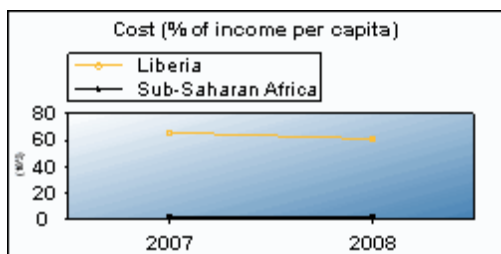
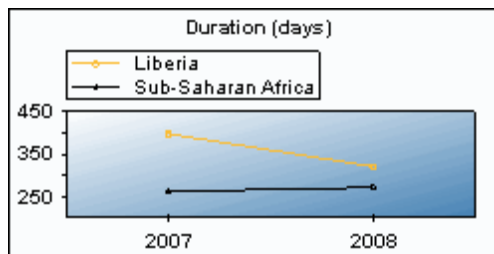
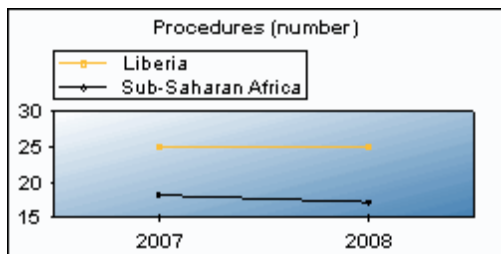
- Is a new construction (there was no previous construction on the land).
- Has 2 stories, both above ground, with a total surface of approximately 1,300.6 square meters (14,000 square feet). Each floor is 3 meters (9 feet, 10 inches) high
- Has complete architectural and technical plans prepared by a licensed architect.
- Will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and one land phone line. The connection to each utility network will be 32 feet, 10 inches (10 meters) long.
- Will be used for general storage, such as of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

Where the regulatory burden is large, entrepreneurs move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off.

1. Historical data: Dealing with Construction Permits in Liberia

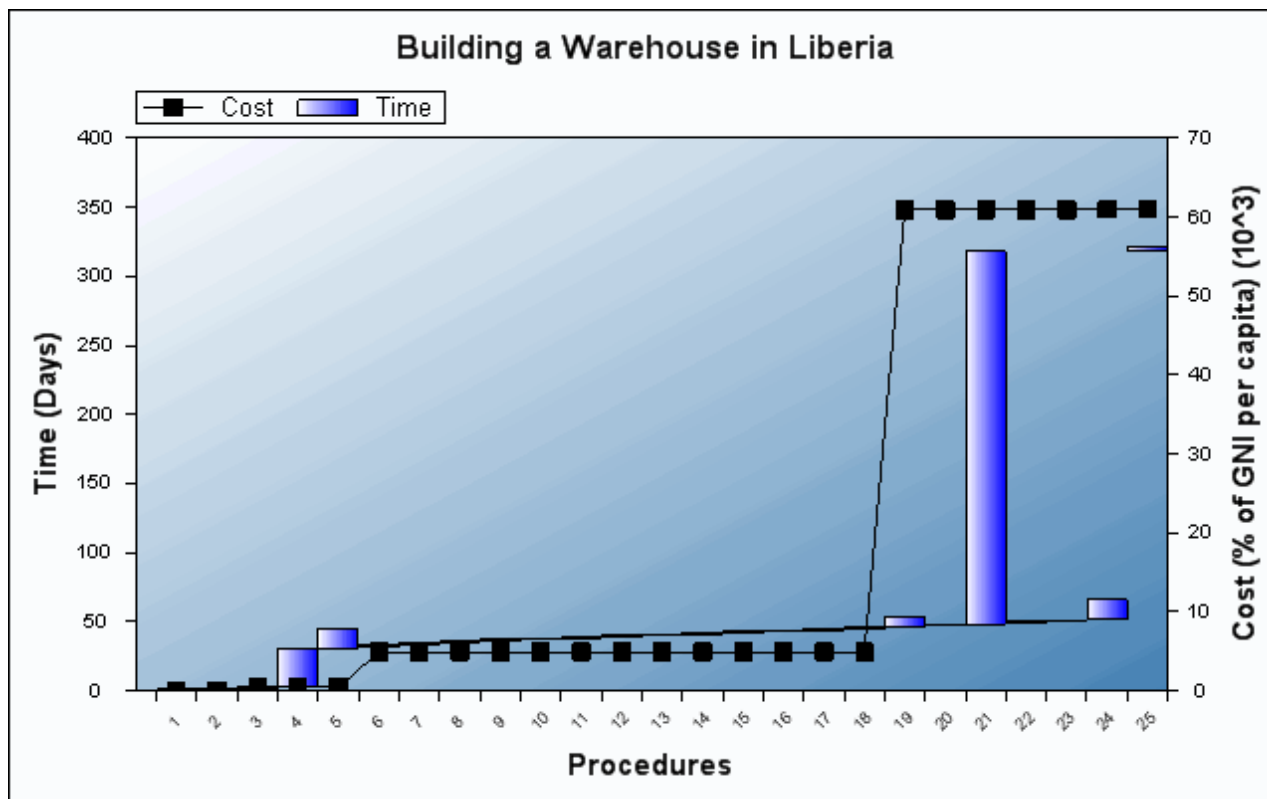
Dealing with Construction Permits data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		179	177
Procedures (number)		25	25
Duration (days)		398	321
Cost (% of income per capita)		65845.6	60988.7

2. The following graphs illustrates the Dealing with Construction Permits indicators in Liberia over the past 3 years:



3. Steps to Building a Warehouse in Liberia

It requires 25 procedures, takes 321 days, and costs 60,988.70 % GNI per capita to build a warehouse in Liberia.



List of Procedures:

- | | |
|--|--|
| 1. Submit plans to Ministry of public works | 11. Receive inspection from MPW - V |
| 2. Receive inspection from Zoning division, Ministry of public works | 12. Receive inspection from MPW - VI |
| 3. Obtain payment slip from the MPW and pay fees at the Central Bank | 13. Receive inspection from MPW - VII |
| 4. Obtain design approval from MPW | 14. Receive inspection from MPW - VIII |
| 5. Request and obtain a Tax waiver from the Ministry of Finance | 15. Receive inspection from MPW - IX |
| 6. Obtain construction permit from the City Corporation of Monrovia | 16. Receive inspection from MPW - X |
| 7. Receive inspection from MPW - I | 17. Receive inspection from MPW - XI |
| 8. Receive inspection from MPW - II | 18. Receive inspection from MPW - XII |
| 9. Receive inspection from MPW - III | 19. Buy and install generator to obtain power connection |
| 10. Receive inspection from MPW - IV | 20. Register with Liberia Telecom |
| | 21. Obtain fixed telephone line |
| | 22. Register with water company |

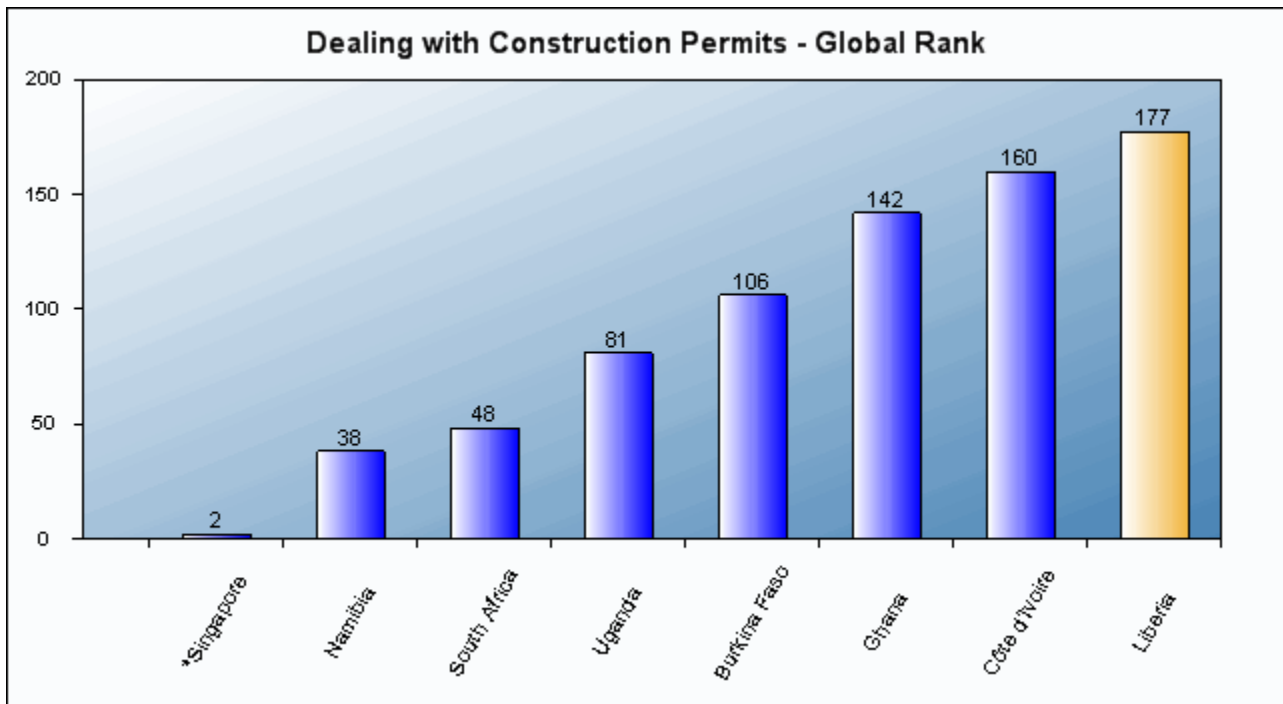
- 23. Receive inspection from Water and Sewer Corporation
- 24. Obtain water and sewage connection
- 25. Register the building at Probate Court

More detail is included in the appendix.

4. Benchmarking Dealing with Construction Permits Regulations:

Liberia is ranked 177 overall for Dealing with Construction Permits.

Ranking of Liberia in Dealing with Construction Permits - Compared to good practice and selected economies:



* The following economies are also good practice economies for Building a Warehouse: Belize, New Zealand, St. Vincent and the Grenadines

The following table shows Dealing with Construction Permits data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Duration (days)	Cost (% of income per capita)
Denmark	6		
Korea		34	
Malaysia*			7.9

<i>Selected Economy</i>			
Liberia	25	321	60988.7

<i>Comparator Economies</i>			
Burkina Faso	15	214	577.9
Côte d'Ivoire	21	628	243.3
Ghana	18	220	1282.6
Namibia	12	139	181.8
South Africa	17	174	27.5
Uganda	16	143	703.5

* The following economies are also good practice economies for :

Cost (% of income per capita): Brunei, Palau, Qatar, St. Kitts and Nevis, Trinidad and Tobago, United Arab Emirates



Employing Workers

Economies worldwide have established a system of laws and institutions intended to protect workers and guarantee a minimum standard of living for its population. This system generally encompasses four bodies of law: employment, industrial relations, social security and occupational health and safety laws. Doing Business examines government regulation in the area of employment.

Two measures are presented: a rigidity of employment index and a firing cost measure. The rigidity of employment index is the average of three subindices: difficulty of hiring, rigidity of hours and difficulty of firing. Each index takes values between 0 and 100, with higher values indicating more rigid regulation. The difficulty of hiring index measures the flexibility of contracts and the ratio of the minimum wage to the value added per worker. The rigidity of hours index covers restrictions on weekend and night work, requirements relating to working time and the workweek, and mandated days of annual leave with pay. The difficulty of firing index covers workers' legal protections against dismissal, including the grounds permitted for dismissal and procedures for dismissal (individual and collective): notification and approval requirements, retraining or reassignment obligations and priority rules for dismissals and reemployment.

The firing cost indicator measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary.

To make the data comparable across economies, a range of assumptions about the worker and the company are used. The company is assumed to be a limited liability manufacturing corporation that operates in the economy's most populous city, is 100% domestically owned and has 201 employees. The company is also assumed to be subject to collective bargaining agreements in economies where such agreements cover more than half the manufacturing sector and apply even to firms not party to them.

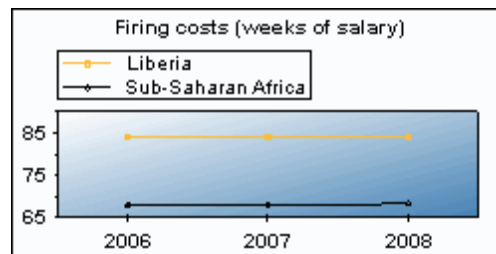
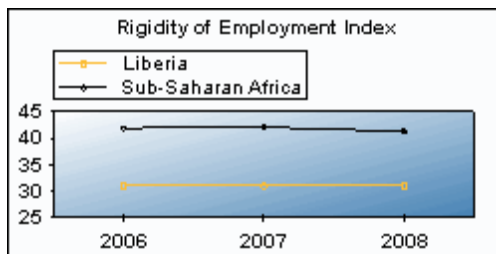
Employment regulations are needed to allow efficient contracting between employers and workers and to protect workers from discriminatory or unfair treatment by employers. In its indicators on employing workers, Doing Business measures flexibility in the regulation of hiring, working hours and dismissal in a manner consistent with the conventions of the International Labour Organization (ILO). An economy can have the most flexible labor regulations as measured by Doing Business while ratifying and complying with all conventions directly relevant to the factors measured by Doing Business and with the ILO core labor standards. No economy can achieve a better score by failing to comply with these conventions.

Governments all over the world face the challenge of finding the right balance between worker protection and labor market flexibility. But in developing countries especially, regulators often err to one extreme, pushing employers and workers into the informal sector. Analysis across economies shows that while employment regulation generally increases the tenure and wages of incumbent workers, overly rigid regulations may have undesirable side effects. These include less job creation, smaller company size, less investment in research and development, and longer spells of unemployment and thus the obsolescence of skills, all of which may reduce productivity growth. When economies err on the side of excessive rigidity, it is to the detriment of businesses and workers alike.

1. Historical data: Employing Workers in Liberia

Employing Workers data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		105	105
Rigidity of Employment Index	31	31	31
Firing costs (weeks of salary)	84	84	84

2. The following graphs illustrates the Employing Workers indicators in Liberia over the past 3 years:



3. Benchmarking Employing Workers Regulations:

Liberia is ranked 105 overall for Employing Workers.

Ranking of Liberia in Employing Workers - Compared to good practice and selected economies:



* The following economies are also good practice economies for Employing Workers: Marshall Islands, Singapore

The following table shows Employing Workers data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Rigidity of Employment Index	Firing costs (weeks of salary)
Hong Kong, China*	0	
New Zealand*		0

<i>Selected Economy</i>		
Liberia	31	84

<i>Comparator Economies</i>		
Burkina Faso	21	34
Côte d'Ivoire	38	49
Ghana	37	178
Namibia	20	24
South Africa	42	24
Uganda	3	13

* The following economies are also good practice economies for :

Rigidity of Employment Index: Maldives, Marshall Islands, Singapore, United States

Firing costs (weeks of salary): Afghanistan, Denmark, Iraq, Marshall Islands, Micronesia, Palau, Puerto Rico, Tonga, United States



Registering Property

Formal property titles help promote the transfer of land, encourage investment and give entrepreneurs access to formal credit markets. But a large share of property in developing economies is not formally registered. Informal titles cannot be used as security in obtaining loans, which limits financing opportunities for businesses. Many governments have recognized this and started extensive property titling programs. But bringing assets into the formal sector is only part of the story. The more difficult and costly it is to formally transfer property, the greater the chances that formalized titles will quickly become informal again. Eliminating unnecessary obstacles to registering and transferring property is therefore important for economic development.

Doing Business records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name. The property of land and building will be transferred in its entirety. The transaction is considered complete when the buyer can use the property as collateral for a bank loan.

Local property lawyers and officials in property registries provide information on required procedures as well as the time and cost to complete each one. For most economies the data are based on responses from both. Based on the responses, three indicators are constructed.

- Number of procedures to register property.
- Time to register property (in calendar days).
- Official costs to register property (as a percentage of the property value).

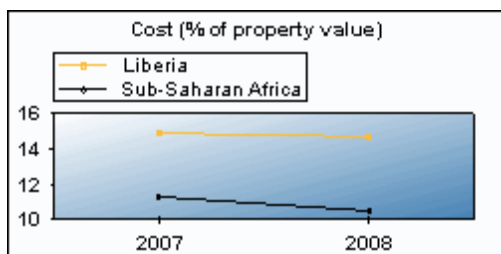
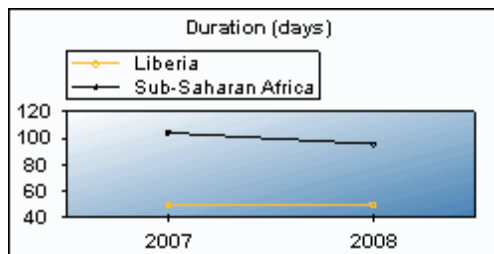
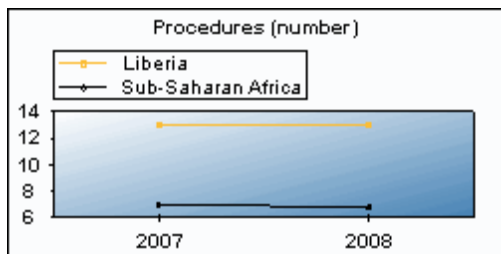
Many titling programs in Africa were futile because people bought and sold property informally, neglecting to update the title records in the property registry. Why? Doing Business shows that completing a simple formal property transfer in the largest business city of an African economy cost 10% of the value of the property and takes on average 90 days. Worse, the property registries are so poorly organized that they provide little security of ownership.

Efficient property registration reduces transaction costs and helps to formalize property titles. Simple procedures to register property are also associated with greater perceived security of property rights and less corruption. That benefits all entrepreneurs, especially women, the young and the poor. The rich have few problems protecting their property rights. They can afford to invest in security systems and other measures to defend their property. But small entrepreneurs cannot. Reform can change this. Twenty-four economies made it easier to register property in 2007/08. The most popular reform: lowering the cost of registration by reducing the property transfer tax, registration fees or stamp duty.

1. Historical data: Registering Property in Liberia

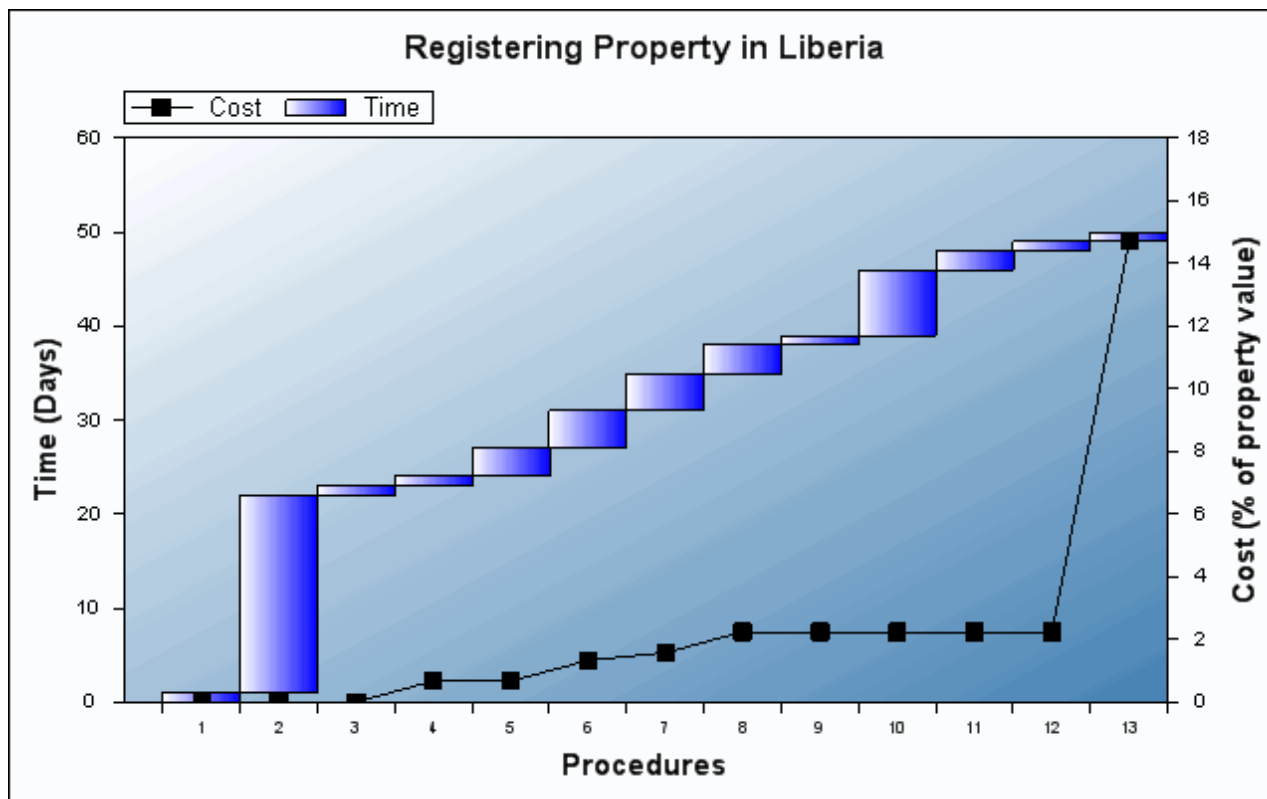
Registering Property data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		170	172
Procedures (number)		13	13
Duration (days)		50	50
Cost (% of property value)		14.9	14.7

2. The following graphs illustrates the Registering Property indicators in Liberia over the past 3 years:



3. Steps to Registering Property in Liberia

It requires 13 procedures, takes 50 days, and costs 14.74 % of property value to register the property in Liberia.



List of Procedures:

- | | |
|--|---|
| 1. Parties pick up and fill a standard deed form | 9. Parties sign the deed form at the lawyer's office |
| 2. Buyer contacts a surveyor to conduct the survey of the property | 10. Lawyer visits Probate Court to request the transfer |
| 3. Buyer obtains the report/filled deed from surveyor and pays his fees | 11. Parties register the deed at the Registry |
| 4. Parties present a lawyer with the deed and request that he start the official transfer process | 12. Parties obtain the registered deed certificate from the lawyer and pay the legal fees |
| 5. Lawyer visits the probate court and asks judge to do a check on the property | 13. Seller goes to Bureau of Internal Revenues to change the owner's name on the property |
| 6. Lawyer visits Bureau of Surveys to check if another survey has been conducted on the property | |
| 7. Lawyer visits Registry to check the status and ownership of the property | |
| 8. Lawyer visits Bureau of Internal Revenue of the Ministry of Finance (Real Estate Division) to check for outstanding taxes on the property | |

More detail is included in the appendix.

4. Benchmarking Registering Property Regulations:

Liberia is ranked 172 overall for Registering Property.

Ranking of Liberia in Registering Property - Compared to good practice and selected economies:



* The following economies are also good practice economies for Registering Property: Georgia, Saudi Arabia

The following table shows Registering Property data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Duration (days)	Cost (% of property value)
New Zealand*		2	
Norway*	1		
Saudi Arabia			0.0

<i>Selected Economy</i>			
Liberia	13	50	14.7

<i>Comparator Economies</i>			
Burkina Faso	6	136	10.2
Côte d'Ivoire	6	62	13.9
Ghana	5	34	1.2
Namibia	9	23	9.9
South Africa	6	24	8.8
Uganda	13	227	4.1

* The following economies are also good practice economies for :

Procedures (number): Sweden

Duration (days): Saudi Arabia, Sweden, Thailand



Getting Credit

Firms consistently rate access to credit as among the greatest barriers to their operation and growth. Doing Business constructs two sets of indicators of how well credit markets function: one on credit registries and the other on legal rights of borrowers and lenders. Credit registries, institutions that collect and distribute credit information on borrowers, can greatly expand access to credit. By sharing credit information, they help lenders assess risk and allocate credit more efficiently. And they free entrepreneurs from having to rely on personal connections alone when trying to obtain credit. Three indicators are constructed to measure the sharing of credit information:

- Depth of credit information index, which measures the extent to which the rules of a credit information system facilitate lending based on the scope of information distributed, the ease of access to information and the quality of information.
- Public registry coverage, which reports the number of individuals and firms covered by a public credit registry as a percentage of the adult population.
- Private bureau coverage, which reports the number of individuals and firms, covered by a private credit bureau as a percentage of the adult population.

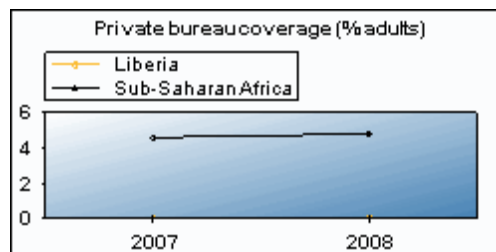
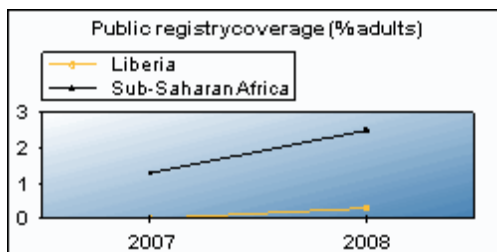
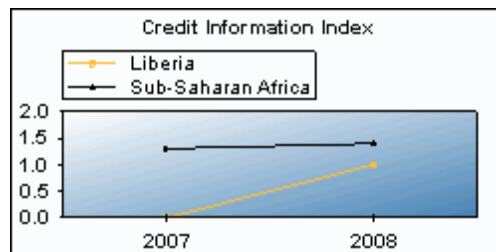
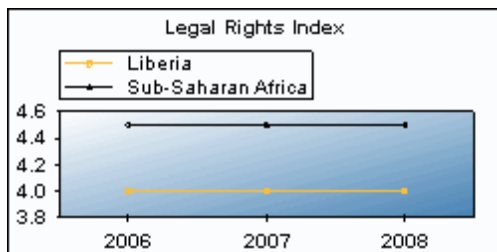
The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. This year, three main changes were made; first, a standardized case scenario with specific assumptions was introduced to bring this indicator into line with other Doing Business indicators. Second, the indicator now focuses not on tangible movable collateral, such as equipment, but on revolving movable collateral, such as accounts receivable and inventory. Third, the indicator no longer considers whether management remains in place during a reorganization procedure, better accommodating economies that adopt reorganization procedures. The strength of legal rights index includes 8 aspects related to legal rights in collateral law and 2 aspects in bankruptcy law:

- Any business may use movable assets as collateral while keeping possession of the assets, and any financial institution may accept such assets as collateral.
- The law allows a business to grant a non possessory security right in a single category of revolving movable assets, without requiring a specific description of the secured assets.
- The law allows a business to grant a non possessory security right in substantially all of its assets, without requiring a specific description of the secured assets.
- A security right may extend to future or after-acquired assets and may extend automatically to the products, proceeds or replacements of the original assets.
- General description of debts and obligations is permitted in collateral agreements and in registration documents, so that all types of obligations and debts can be secured by stating a maximum rather than a specific amount between the parties.
- A collateral registry is in operation that is unified geographically and by asset type and that is indexed by the name of the grantor of a security right.
- Secured creditors are paid first when a debtor defaults outside an insolvency procedure or when a business is liquidated.
- Secured creditors are not subject to an automatic stay or moratorium on enforcement procedures when a debtor enters a court-supervised reorganization procedure.
- The law allows parties to agree in a collateral agreement that the lender may enforce its security right out of court.

1. Historical data: Getting Credit in Liberia

Getting Credit data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		141	131
Legal Rights Index	4	4	4
Credit Information Index		0	1
Public registry coverage (% adults)		0.0	0.3
Private bureau coverage (% adults)		0.0	0.0

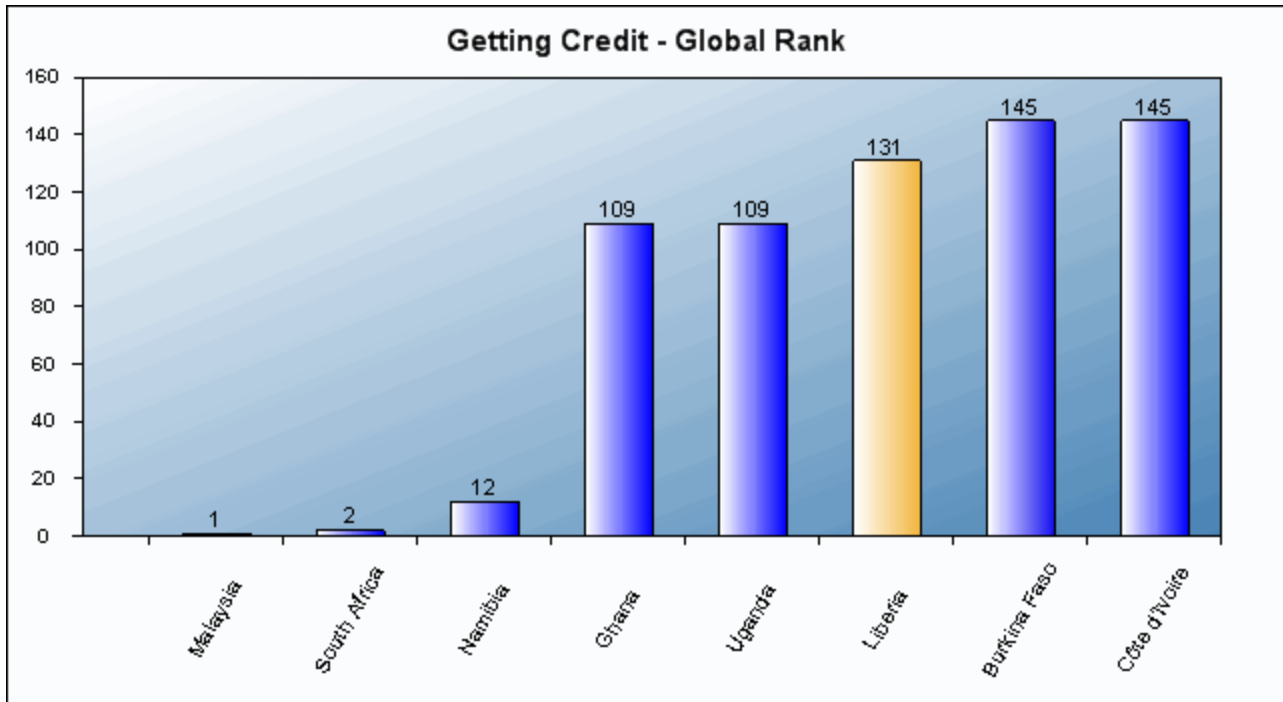
2. The following graphs illustrates the Getting Credit indicators in Liberia over the past 3 years:



3. Benchmarking Getting Credit Regulations:

Liberia is ranked 131 overall for Getting Credit.

Ranking of Liberia in Getting Credit - Compared to good practice and selected economies:



The following table shows Getting Credit data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Legal Rights Index	Credit Information Index	Public registry coverage (% adults)	Private bureau coverage (% adults)
Malaysia*	10			
New Zealand*				100.0
Portugal			76.4	
United Kingdom		6		

<i>Selected Economy</i>				
Liberia	4	1	0.3	0.0

<i>Comparator Economies</i>				
Burkina Faso	3	1	1.9	0.0
Côte d'Ivoire	3	1	2.9	0.0
Ghana	7	0	0.0	0.0
Namibia	8	5	0.0	59.6
South Africa	9	6	0.0	64.8
Uganda	7	0	0.0	0.0

* The following economies are also good practice economies for :

Legal Rights Index: Hong Kong, China, Kenya, Singapore

Private bureau coverage (% adults): Argentina, Australia, Canada, Iceland, Ireland, Nicaragua, Norway, Sweden, United Kingdom, United States

24 countries have the highest credit information index.



Protecting Investors

Companies grow by raising capital, either through a bank loan or by attracting equity investors. Selling shares allows companies to expand without the need to provide collateral and repay bank loans. But investors worry about their money, and look for laws that protect them. A study finds that the presence of legal and regulatory protections for investors explains up to 73% of the decision to invest. In contrast, company characteristics explain only between 4% and 22%*. Good protections for minority shareholders are associated with larger and more active stock markets. Thus both governments and businesses have an interest in reforms strengthening investor protections. To document some of the protections investors have, Doing Business measures how economies regulate a standard case of self-dealing, use of corporate assets for personal gain.

The case facts are straightforward. Mr. James, a director and the majority shareholder of a public company, proposes that the company purchase used trucks from another company he owns. The price is higher than the going price for used trucks. The transaction goes forward. All required approvals are obtained, and all required disclosures made, though the transaction is prejudicial to the purchasing company. Shareholders sue the interested parties and the members of the board of directors. Several questions arise. Who approves the transaction? What information must be disclosed? What company documents can investors access? What do minority shareholders have to prove to get the transaction stopped or to receive compensation from Mr. James? Three indices of investor protection are constructed based on the answers to these and other questions. All indices range from 0 to 10, with higher values indicating more protections or greater disclosure.

- The extent of disclosure index covers approval procedures, requirements for immediate disclosure to the public and shareholders of proposed transactions, requirements for disclosure in periodic filings and reports and the availability of external review of transactions before they take place.
- The extent of director liability index covers the ability of investors to hold Mr. James and the board of directors liable for damages, the ability to rescind the transaction, the availability of fines and jail time associated with self-dealing, the availability of direct or derivative suits and the ability to require Mr. James to pay back his personal profits from the transaction.
- The ease of shareholder suits index covers the availability of documents that can be used during trial, the ability of the investor to examine the defendant and other witnesses, shareholders' access to internal documents of the company, the appointment of an inspector to investigate the transaction and the standard of proof applicable to a civil suit against the directors.

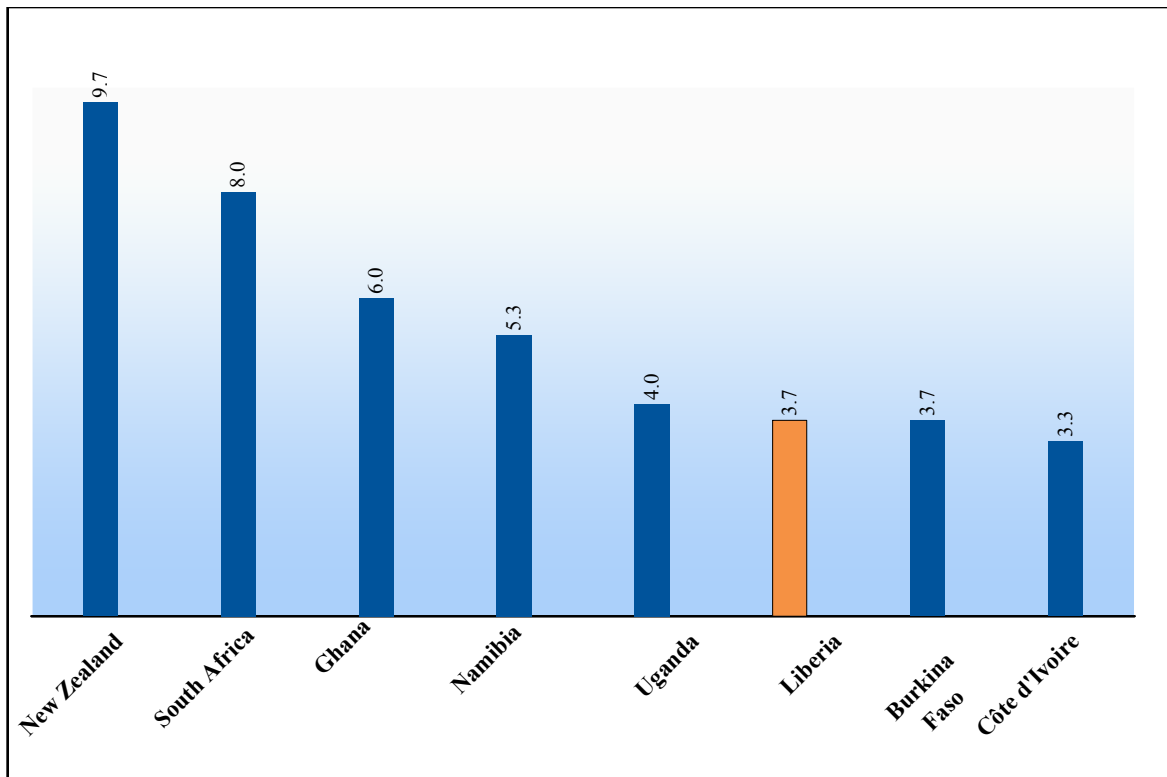
These three indices are averaged to create the strength of investor protection index. This index ranges from 0 to 10, with higher values indicating better investor protection.

*Doidge, Karayi and Stulz (2007)

1. Historical data: Protecting Investors in Liberia

Protecting Investors data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		141	142
Investor Protection Index	3.7	3.7	3.7

2. The following graph illustrates the Protecting Investors index in Liberia compared to best practice and selected Economies:

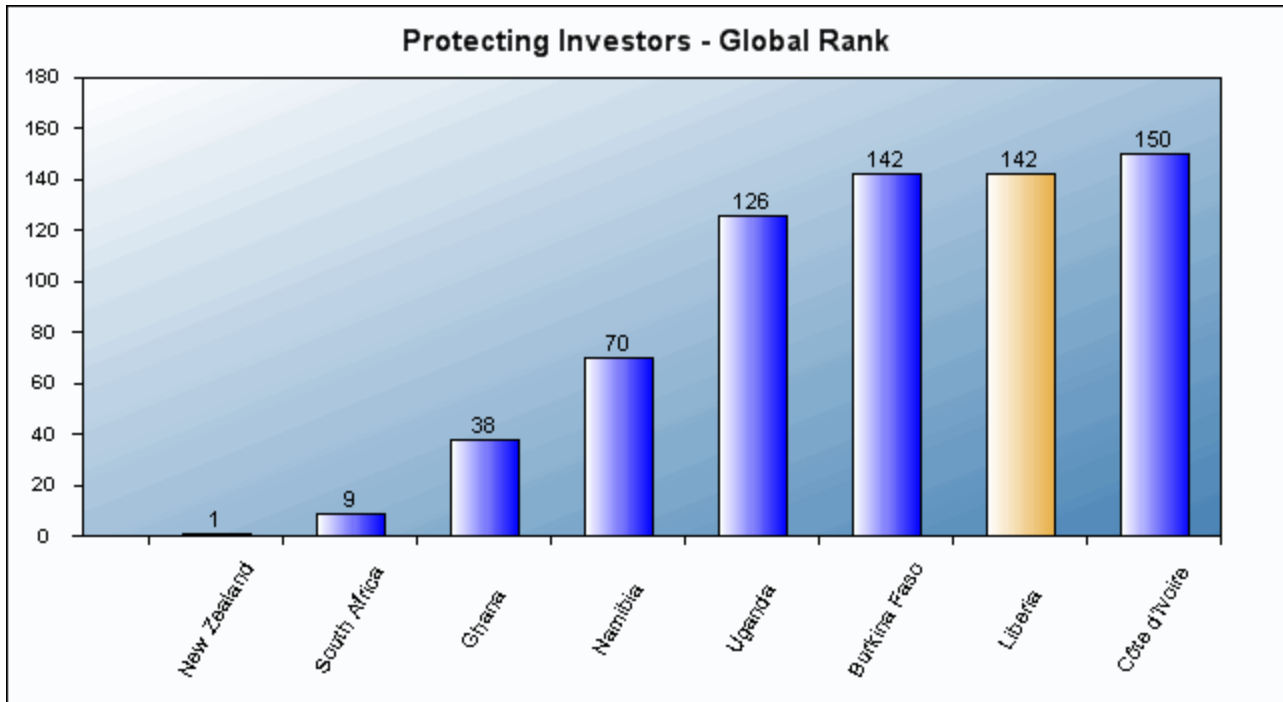


Note: The higher the score, the greater the investor protection.

3. Benchmarking Protecting Investors Regulations:

Liberia is ranked 142 overall for Protecting Investors.

Ranking of Liberia in Protecting Investors - Compared to good practice and selected economies:



The following table shows Protecting Investors data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Investor Protection Index
New Zealand	9.7

<i>Selected Economy</i>	
Liberia	3.7

<i>Comparator Economies</i>	
Burkina Faso	3.7
Côte d'Ivoire	3.3
Ghana	6.0
Namibia	5.3
South Africa	8.0
Uganda	4.0



Paying Taxes

Taxes are essential. Without them there would be no money to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. But particularly for small and medium size companies, they may opt out and choose to operate in the informal sector. One way to enhance tax compliance is to ease and simplify the process of paying taxes for such businesses.

The Doing Business tax survey records the effective tax that a small and medium company must pay and the administrative costs of doing so. Imagine a medium-size business, TaxpayerCo, that started operations last year. Doing Business asks tax practitioners in 181 economies to review TaxpayerCo's financial statements and a standard list of transactions that the company completed during the year. Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.

The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded. Taxes and mandatory contributions are measured at all levels of government and include corporate income tax, turnover tax, all labor taxes and contributions paid by the company (including mandatory contributions paid to private pension or insurance funds), property tax, property transfer tax, dividend tax, capital gains tax, financial transactions tax, vehicle tax, sales tax and other small taxes (such as fuel tax, stamp duty and local taxes). A range of standard deductions and exemptions are also recorded.

Three indicators are constructed:

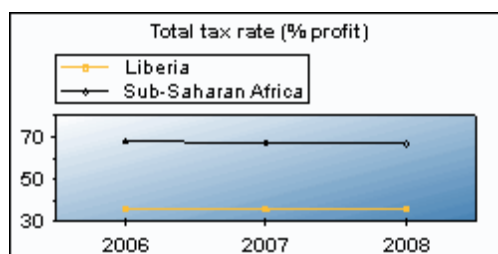
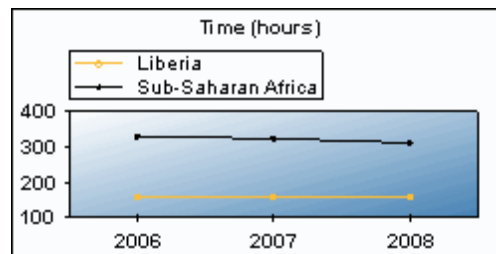
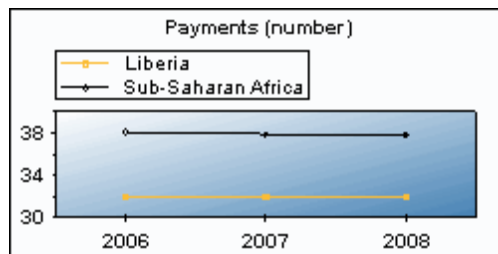
- Number of tax payments, which takes into account the method of payment, the frequency of payments and the number of agencies involved in our standardized case study.
- Time, which measures the number of hours per year necessary to prepare and file tax returns and to pay the corporate income tax, value added tax, sales tax or goods and service tax and labor taxes and mandatory contributions.
- Total tax rate, which measures the amount of taxes and mandatory contributions payable by the company during the second year of operation. This amount, expressed as a percentage of commercial profit, is the sum of all the different taxes payable after accounting for various deductions and exemptions.

Businesses care about what they get for their taxes and contributions, such as the quality of infrastructure and social services. Efficient tax systems tend to have less complex tax arrangements, comprising of straightforward compliance procedures and clear laws. Taxpayers in such economies often get more from their taxes. Simple, moderate taxes and fast, cheap administration mean less hassle for businesses, and also more revenue collected and better public services. More burdensome tax regimes create an incentive to evade taxes.

1. Historical data: Paying Taxes in Liberia

Paying Taxes data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		51	59
Time (hours)	158	158	158
Total tax rate (% profit)	35.8	35.8	35.8
Payments (number)	32	32	32

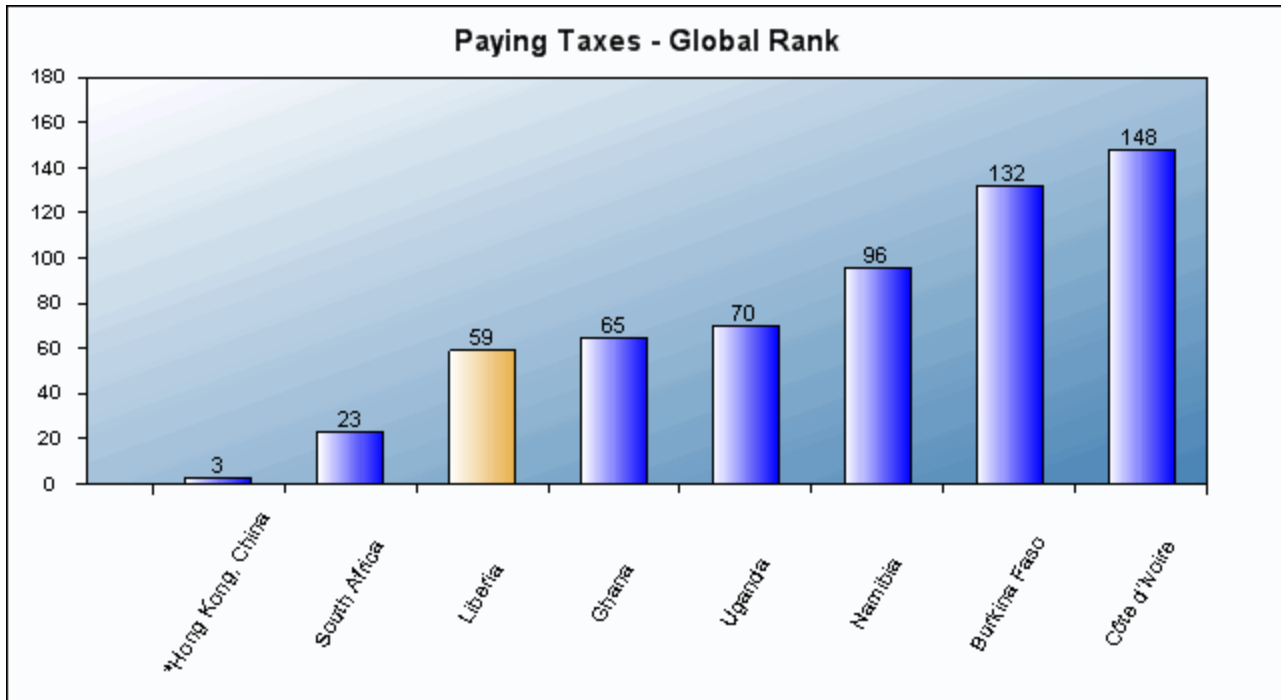
2. The following graphs illustrates the Paying Taxes indicators in Liberia over the past 3 years:



3. Benchmarking Paying Taxes Regulations:

Liberia is ranked 59 overall for Paying Taxes.

Ranking of Liberia in Paying Taxes - Compared to good practice and selected economies:



* The following economies are also good practice economies for Paying Taxes: Maldives, Qatar

The following table shows Paying Taxes data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Payments (number)	Time (hours)	Total tax rate (% profit)
Luxembourg*		59	
Sweden*	2		
Vanuatu			8.4

<i>Selected Economy</i>			
Liberia	32	158	35.8

<i>Comparator Economies</i>			
Burkina Faso	45	270	44.6
Côte d'Ivoire	66	270	45.4
Ghana	33	224	32.7
Namibia	37	375	25.3
South Africa	9	200	34.2
Uganda	32	222	34.5

* The following economies are also good practice economies for :

Payments (number): Maldives, Qatar

Time (hours): Bahamas, Bahrain, Maldives, Qatar, United Arab Emirates



Trading Across Borders

The benefits of trade are well documented; as are the obstacles to trade. Tariffs, quotas and distance from large markets greatly increase the cost of goods or prevent trading altogether. But with bigger ships and faster planes, the world is shrinking. Global and regional trade agreements have reduced trade barriers. Yet Africa's share of global trade is smaller today than it was 25 years ago. So is the Middle East's, excluding oil exports. Many entrepreneurs face numerous hurdles to exporting or importing goods, including delays at the border. They often give up. Others never try. In fact, the potential gains from trade facilitation may be greater than those arising from only tariff reductions.

Doing Business compiles procedural requirements for trading a standard shipment of goods by ocean transport. Every procedure and the associated documents, time and cost, for importing and exporting the goods is recorded, starting with the contractual agreement between the two parties and ending with delivery of the goods. For importing the goods, the procedures measured range from the vessel's arrival at the port of entry to the shipment's delivery at the importer's warehouse. For exporting the goods, the procedures measured range from the packing of the goods at the factory to their departure from the port of exit. Payment is by letter of credit and the time and cost for issuing or securing a letter of credit is taken into account.

To make the data comparable across countries, several assumptions about the business and the traded goods are used. The business is of medium size, employs 60 people, and is located in the periurban area of the economy's most populous city. It is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations of the economy. The traded goods are ordinary, legally manufactured products transported in a dry-cargo, 20-foot FCL (full container load) container.

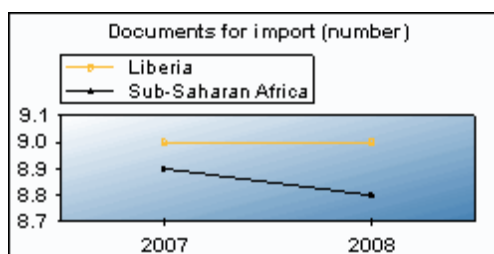
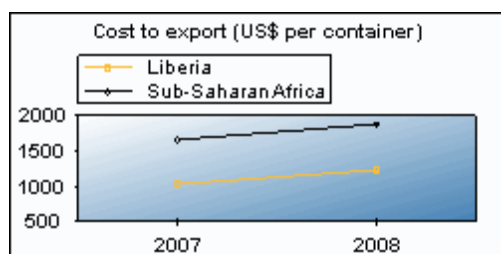
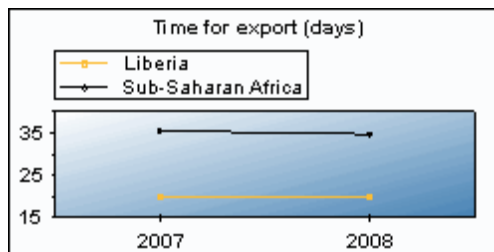
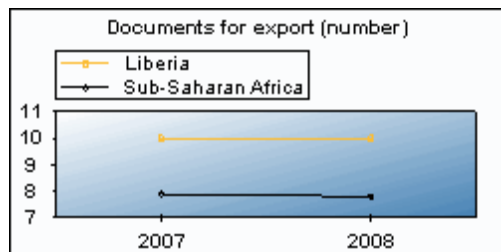
Documents recorded include port filing documents, customs declaration and clearance documents, as well as official documents exchanged between the parties to the transaction. Time is recorded in calendar days, from the beginning to the end of each procedure. Cost includes the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to export or import the goods are included, such as costs for documents, administrative fees for customs clearance and technical control, terminal handling charges and inland transport. The cost measure does not include tariffs or duties.

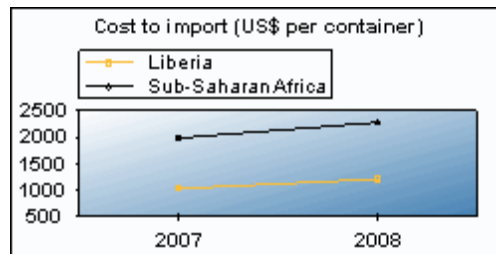
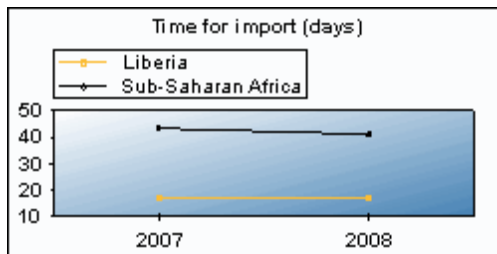
Economies that have efficient customs, good transport networks and fewer document requirements, making compliance with export and import procedures faster and cheaper, are more competitive globally. That can lead to more exports; and exports are associated with faster growth and more jobs. Conversely, a need to file many documents is associated with more corruption in customs. Faced with long delays and frequent demands for bribes, many traders may avoid customs altogether. Instead, they smuggle goods across the border. This defeats the very purpose in having border control of trade to levy taxes and ensure high quality of goods.

1. Historical data: Trading Across Borders in Liberia

Trading Across Borders data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		108	115
Documents for export (number)		10	10
Time for export (days)		20	20
Cost to export (US\$ per container)		1032	1232
Documents for import (number)		9	9
Time for import (days)		17	17
Cost to import (US\$ per container)		1032	1212

2. The following graphs illustrates the Trading Across Borders indicators in Liberia over the past 3 years:

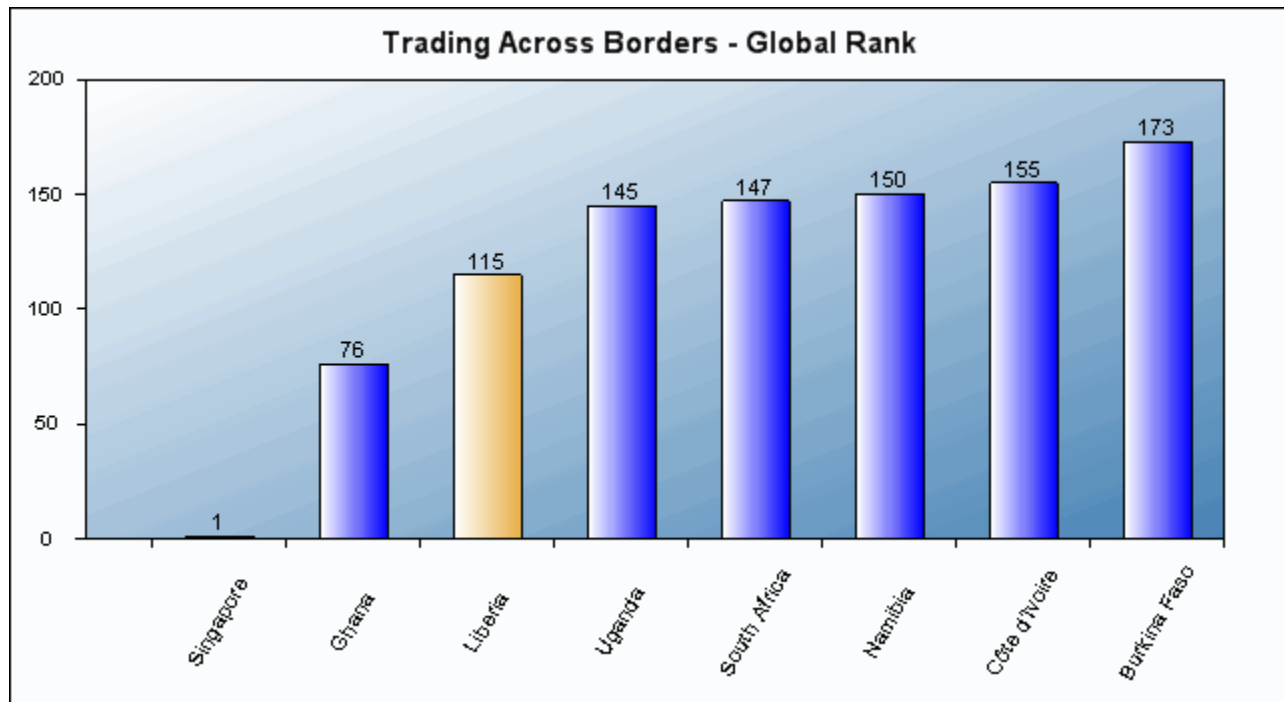




3. Benchmarking Trading Across Borders Regulations:

Liberia is ranked 115 overall for Trading Across Borders.

Ranking of Liberia in Trading Across Borders - Compared to good practice and selected economies:



The following table shows Trading Across Borders data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Documents for export (number)	Time for export (days)	Cost to export (US\$ per container)	Documents for import (number)	Time for import (days)	Cost to import (US\$ per container)
Denmark*		5				
France	2			2		
Malaysia			450			
Singapore					3	439

<i>Selected Economy</i>						
Liberia	10	20	1232	9	17	1212

<i>Comparator Economies</i>						
Burkina Faso	11	45	2132	11	54	3630
Côte d'Ivoire	10	23	1904	9	43	2437
Ghana	6	19	1003	7	29	1130
Namibia	11	29	1686	9	24	1813
South Africa	8	30	1445	9	35	1721
Uganda	6	39	3090	7	37	3290

* The following economies are also good practice economies for :

Time for export (days): Estonia, Singapore



Enforcing Contracts

Where contract enforcement is efficient, businesses are more likely to engage with new borrowers or customers. Doing Business tracks the efficiency of the judicial system in resolving a commercial dispute, following the step-by-step evolution of a commercial sale dispute before local courts. The data is collected through study of the codes of civil procedure and other court regulations as well as through surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

The dispute concerns a contract for the sale of goods between two businesses (the Seller and the Buyer) both located in the economy's largest business city.

The Seller sells and delivers goods, worth 200% of the economy's income per capita, to the Buyer. The Buyer refuses to pay on the grounds that they were not of adequate quality.

The Seller sues the Buyer to recover the amount under the sales agreement (200% of the economy's income per capita). The claim is filed before a court in the economy's largest business city with jurisdiction over commercial cases worth 200% of the income per capita and is disputed on the merits. Judgment is 100% in favor of the Seller and is not appealed. Seller enforces the judgment and the money is successfully collected through a public sale of Buyer's assets.

Rankings on enforcing contracts are based on 3 sub-indicators:

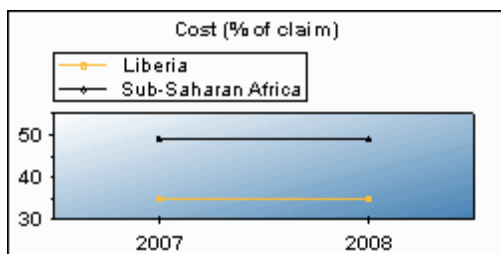
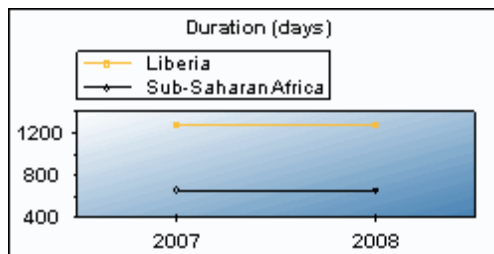
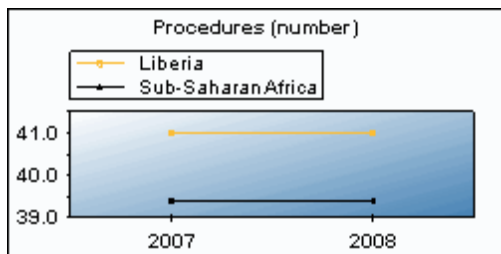
- Number of procedures, which are defined as any interaction between the parties or between them and the judge or court officer. This includes steps to file the case, steps for trial and judgment and steps necessary to enforce the judgment.
- Time, which counts the number of calendar days from the moment the Seller files the lawsuit in court until payment is received. This includes both the days on which actions take place and the waiting periods in between.
- Cost, which is recorded as a percentage of the claim (assumed to be equivalent to 200% of income per capita). Three types of costs are recorded: court costs (including expert fees), enforcement costs (including costs for a public sale of Buyer's assets) and attorney fees.

Justice delayed is often justice denied. And in many economies only the rich can afford to go to court. For the rest, justice is out of reach. In the absence of efficient courts, firms undertake fewer investments or business transactions. And they prefer to involve only a small group of people who know each other from previous dealings.

1. Historical data: Enforcing Contracts in Liberia

Enforcing Contracts data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		166	165
Procedures (number)		41	41
Duration (days)		1280	1280
Cost (% of claim)		35.0	35.0

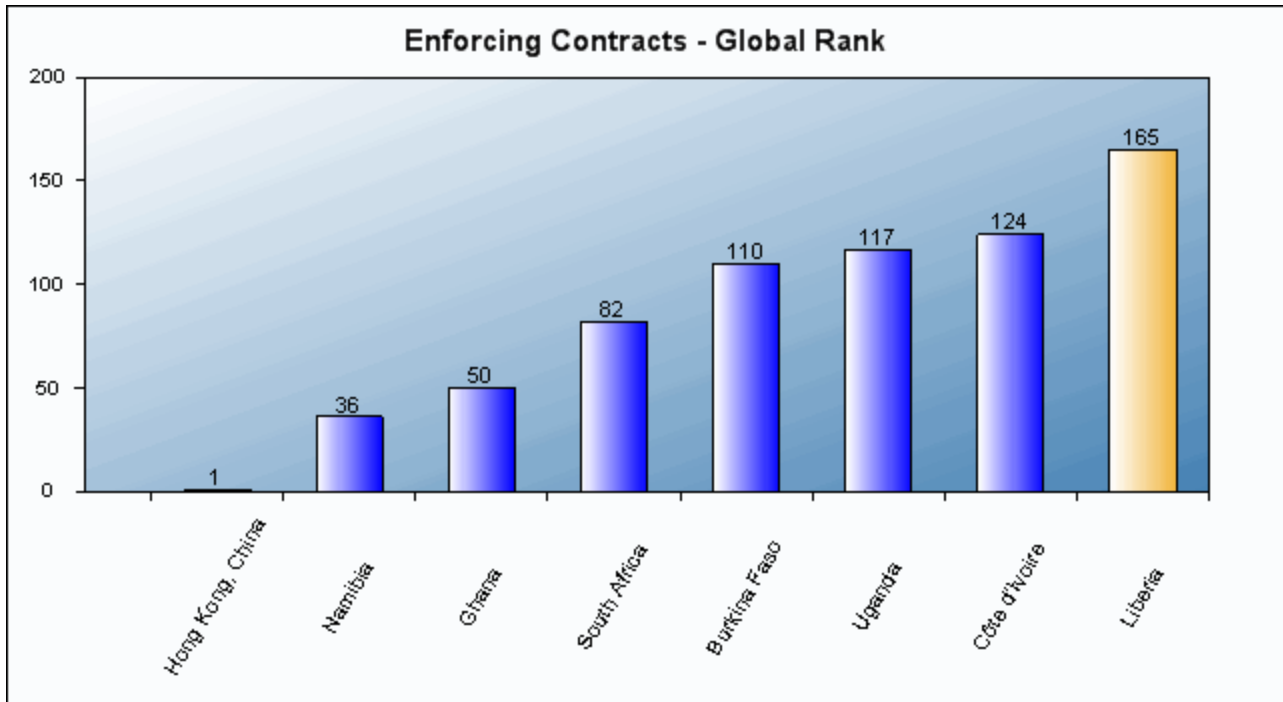
2. The following graphs illustrates the Enforcing Contracts indicators in Liberia over the past 3 years:



3. Benchmarking Enforcing Contracts Regulations:

Liberia is ranked 165 overall for Enforcing Contracts.

Ranking of Liberia in Enforcing Contracts - Compared to good practice and selected economies:



The following table shows Enforcing Contracts data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Duration (days)	Cost (% of claim)
Iceland*			6.2
Ireland	20		
Singapore		150	

<i>Selected Economy</i>			
Liberia	41	1280	35.0

<i>Comparator Economies</i>			
Burkina Faso	37	446	107.4
Côte d'Ivoire	33	770	41.7
Ghana	36	487	23.0
Namibia	33	270	29.9
South Africa	30	600	33.2
Uganda	38	535	44.9

* The following economies are also good practice economies for :

Cost (% of claim): Bhutan



Closing Business

The economic crises of the 1990s in emerging markets—from East Asia to Latin America, from Russia to Mexico—raised concerns about the design of bankruptcy systems and the ability of such systems to help reorganize viable companies and close down unviable ones. In countries where bankruptcy is inefficient, unviable businesses linger for years, keeping assets and human capital from being reallocated to more productive uses.

The Doing Business indicators identify weaknesses in the bankruptcy law as well as the main procedural and administrative bottlenecks in the bankruptcy process. In many developing countries bankruptcy is so inefficient that the parties hardly ever use it. In countries such as these, reform would best focus on improving contract enforcement outside bankruptcy.

The data on closing a business are developed using a standard set of case assumptions to track a company going through the step-by-step procedures of the bankruptcy process. It is assumed that the company is a domestically owned, limited liability corporation operating a hotel in the country's most populous city. The company has 201 employees, 1 main secured creditor and 50 unsecured creditors. Assumptions are also made about the debt structure and future cash flows. The case is designed so that the company has a higher value as a going concern—that is, the efficient outcome is either reorganization or sale as a going concern, not piecemeal liquidation. The data are derived from questionnaires answered by attorneys at private law firms.

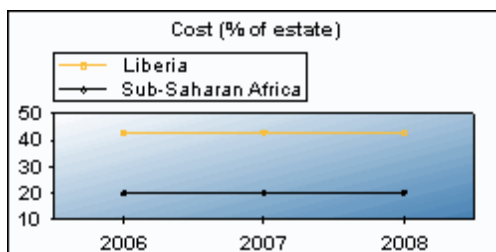
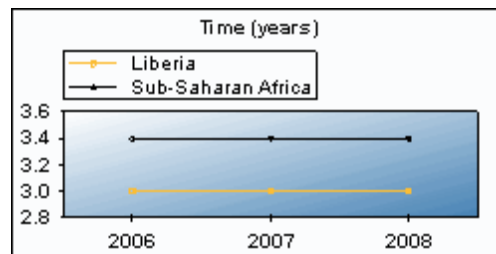
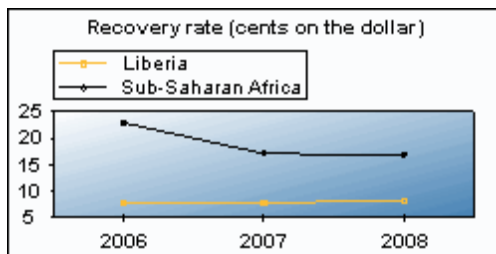
Three measures are constructed from the survey responses: the time to go through the insolvency process, the cost to go through the process and the recovery rate—how much of the insolvency estate is recovered by stakeholders, taking into account the time, cost, depreciation of assets and the outcome of the insolvency proceeding.

Bottlenecks in bankruptcy cut into the amount claimants can recover. In countries where bankruptcy laws are inefficient, this is a strong deterrent to investment. Access to credit shrinks, and nonperforming loans and financial risk grow because creditors cannot recover overdue loans. Conversely, efficient bankruptcy laws can encourage entrepreneurs. The freedom to fail, and to do so through an efficient process, puts people and capital to their most effective use. The result is more productive businesses and more jobs.

1. Historical data: Closing Business in Liberia

Closing a Business data	Doing Business 2007	Doing Business 2008	Doing Business 2009
Rank		147	146
Time (years)	3.0	3.0	3.0
Cost (% of estate)	43	43	43
Recovery rate (cents on the dollar)	7.8	7.8	8.3

2. The following graphs illustrates the Closing Business indicators in Liberia over the past 3 years:



3. Benchmarking Closing Business Regulations:

Liberia is ranked 146 overall for Closing a Business.

Ranking of Liberia in Closing Business - Compared to good practice and selected economies:



The following table shows Closing Business data for Liberia compared to good practice and comparator economies:

Good Practice Economies	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Ireland		0.4	
Japan	92.5		
Singapore*			1

<i>Selected Economy</i>			
Liberia	8.3	3.0	43

<i>Comparator Economies</i>			
Burkina Faso	21.7	4.0	9
Côte d'Ivoire	34.0	2.2	18
Ghana	24.0	1.9	22
Namibia	39.5	1.5	15
South Africa	32.2	2.0	18
Uganda	41.1	2.2	30

* The following economies are also good practice economies for :

Cost (% of estate): **Colombia, Kuwait, Norway**

DB2009 Reforms

Number of reforms in Doing Business 2009

Rank	Economy	Reforms									Total number of reforms
		Starting a Business	Dealing with Construction Permits	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	
1	Azerbaijan	✓		✓	✓	✓	✓	✓		✓	7
2	Albania	✓				✓	✓	✓			4
3	Kyrgyz Republic	✓	✓				✓				3
4	Belarus	✓	✓		✓	✓		✓	✓		6
5	Senegal	✓			✓				✓		3
6	Burkina Faso		✓	✓	✓			✓			4
7	Botswana	✓					✓	✗	✓		3
8	Colombia	✓	✓					✓	✓	✓	5
9	Dominican Republic	✓			✓			✓	✓		4
10	Egypt	✓	✓		✓	✓	✓		✓		6
	Liberia	✓	✓			✓			✓		4
	Uganda										
	Côte d'Ivoire							✓			1
	Ghana	✓									1
	Namibia	✓									1
	South Africa	✓						✓			2

Note: Economies are ranked on the number and impact of reforms, Doing Business selects the economies that reformed in 3 or more of the Doing Business topics. Second, it ranks these economies on the increase in rank in Ease of Doing Business from the previous year. The larger the improvement, the higher the ranking as a reformer.

Albania

Albania, a top reformer globally and regionally, established a public credit registry allowing financial institutions to share credit information and covering 8.3 percent of the adult population. This reform allows banks to better evaluate the creditworthiness of potential borrowers, facilitating access to credit for firms and individuals. Albania also strengthened investor protections. A new company law requires that disinterested shareholders approve transactions between interested parties and obligates those parties to disclose all information on the transaction to the public. The law also reinforces directors' duties and requires directors, when found liable, to pay damages and return profits to the company. Starting a business became easier with online publication, reduction of the registration cost, and the consolidation of tax, health insurance, and labor registration into a single application. The corporate income tax rate was reduced from 20 percent to 10 percent effective January 1, 2008.

Azerbaijan

Azerbaijan, the top reformer globally and regionally, eliminated the minimum threshold for reporting loans to the public credit registry in September 2007. The public registry now records information on all loans made by the financial system, more than doubling the coverage of borrowers with a credit history. Substantial amendments to the labor code in May 2007 made hiring workers easier by allowing employers to use fixed-term contracts for permanent tasks, easing restrictions on night work, and reducing requirements for redundancy dismissals. Azerbaijan created a second commercial court in Baku, increasing the number of judges dealing with commercial cases from five to nine. The average time to enforce a contract through the courts fell from 267 days to 237. A new law strengthens investor protections by requiring that transactions between interested parties be approved by shareholders. Interested parties are allowed to vote on the matter. Other provisions protect investors because directors who are held liable must pay damages and disgorge profits. Azerbaijan introduced a new unified property registry, reducing the number of procedures required to register property from seven to four. In addition, the State Register Service introduced the option of expediting two of the four procedures, making it possible to register property in 11 days. Similarly, the country created a one-stop shop for company registration, cutting the number of procedures from 13 to six and reducing the time required by half. Azerbaijan reduced the tax burden by introducing an online filing and payment system with advanced accounting software for calculating taxes due. This saves more than 500 hours a year on average in dealing with paperwork.

Belarus

In Belarus, a top reformer globally and regionally, the public credit registry expanded credit information by eliminating the minimum threshold for loans recorded in its database. It also guaranteed the right of borrowers to review their data, improving accuracy. Starting a business became easier: a unified registry database was created, a time limit was introduced for registration, and the minimum capital requirement was cut by half. Belarus created a one-stop shop for property registration and introduced a broad administrative simplification program that set strict time limits at the registry and computerized its records. As a result, the time required to register property in Minsk fell from 231 days to 21. The time required for dealing with construction permits fell by 140 days, thanks to new statutory time limits for preapproval clearances and building permits. Belarus eased the tax burden by abolishing the "Chernobyl tax" (3 percent) and unemployment tax (1 percent) and amending the simplified tax system for small businesses. A new customs code and new banking regulations reduced the time to export

Botswana

Botswana improved its business environment by speeding the start-up process through computerization. A similar effort, which included training customs officers in using an electronic data interchange system, sped the processing of trade documents and reduced the time to export by two days and the time to import by a day. A new Company Act has come into force, requiring that shareholders approve related-party transactions and that directors repay damages and surrender profits if held liable. Finally, since January 2008, companies have been required to pay 0.2 percent of turnover for the training of workers.

Burkina Faso

Burkina Faso eliminated random inspections during construction. It also introduced a new one-stop shop for construction permits, which reduced approval fees and combined five separate payments into a single one. A new labor code, approved in May 2008, makes hiring workers easier by allowing employers to use fixed-term contracts for permanent tasks, removing the 48-month limit on the duration of such contracts, and easing restrictions on determining the weekly rest day. Requirements for redundancy dismissals were also eased: third-party notification and consent are no longer required for dismissal of a single worker, and priority rules for dismissals were abolished. Burkina Faso made it easier to transfer property by eliminating the requirement for authorization from the municipality, merging two taxes at the Land Registry (Conservation Foncière), and reducing the transfer tax. The changes reduced the time required by 46 days and the cost by 2 percent of the property value. Finally, Burkina Faso reduced the corporate income tax rate from 35 percent to 30 percent (effective January 1, 2008), and the tax on dividends from 15 percent to 12.5 percent.

Colombia	Colombia, a top global and regional reformer, improved in five of the 10 Doing Business indicators. It reduced the time and cost to start a business by simplifying registration formalities, including speeding up processes at the registry and eliminating the need to obtain a certificate of compliance with zoning regulations. A silence-is-consent principle for building permits is now applied, reducing the total time for dealing with construction permits by 32 days. A new unified application form was introduced. Colombia made electronic social security contributions mandatory for companies with more than 30 employees and created unified electronic forms for filing taxes. Trading across borders was expedited: better banking services and the implementation of e-payments, electronic data interchange, and coordinated inspections in customs reduced the time to export by 10 days and the time to import by five. Authorities also introduced two new insolvency proceedings: a reorganization procedure to restructure insolvent companies and a mandatory liquidation procedure. Its new insolvency law tightens time limits for negotiating reorganization agreements. Before, the term allowed was six months, with a possible extension of eight months. The new law limits the term to four months, and the extension to two.
Côte d'Ivoire	Côte d'Ivoire reduced its corporate income tax rate from 27 percent to 25 percent effective January 27, 2008, and revised the criterion for defining a small and medium-size entity to a turnover of less than CFAF 1 billion only.
Dominican Republic	The Dominican Republic, a top global and regional reformer, sped up formalities in several areas by making them electronic. An online system for filing and paying taxes, piloted in 2006, is now fully operational. And entrepreneurs can complete several start-up formalities online, including name verification, and commercial and tax registration. The Dominican Republic also reduced the corporate income tax rate from 29% to 25%, and abolished several taxes, including the stamp duty. The cost of property registration fell, thanks to a reduction in the transfer tax from 4.3% to 3%. Transferring property now costs 3.8% of the property value, down from 5.1%. In addition, authorities reduced the time to export by three days by improving the online portal for customs documentation and payment.
Egypt	Egypt was once again among the top 10 global reformers—the third time in 4 years—and top regional reformer this year. Egypt made starting a business easier by reducing the paid-in minimum capital requirement by more than 80%, abolishing bar association fees, and automating tax registration. A new building code introduced in 2008 is aimed at reducing the procedures and time required to deal with construction permits by establishing a single window for processing construction-related approvals. Simplified administrative procedures for registering property and new time limits have reduced the time to transfer property in Cairo from 193 days to 72. The port of Alexandria continued to upgrade its facilities and sped customs clearance, reducing the time to export by 1 day and the time to import by 3. New listing rules for the Cairo Stock Exchange strengthened protections for minority shareholders: now an independent body must assess transactions between interested parties before they are approved. And thanks to new regulations issued by the Central Bank of Egypt, borrowers have the right to inspect their data in the private credit bureau.
Ghana	Ghana abolished the requirements to register employment vacancies and to obtain a company seal, reducing the number of procedures to start a business.
Kyrgyz Republic	The Kyrgyz Republic, a top reformer globally and regionally, strengthened investor protections through legal amendments allowing minority investors to take legal actions as shareholders. The amendments also require an independent assessment of a related-party transaction before it is approved. Moreover, directors can be held liable for negligence if they harm minority shareholders and will be forced to pay damages and disgorge profits. A new one-stop shop made it easier to start a business by streamlining and simplifying business registration processes and eliminating certain requirements such as proof of residence. Obtaining a company seal became optional. Dealing with construction permits also became easier, thanks to a one-stop shop making it possible to obtain a designing permit, construction license, and occupancy permit at a single place. This reform eliminated nine steps, reduced the time required by almost 6 months, and lowered the cost from 759 percent of income per capita to 406 percent.
Liberia	Liberia made starting a business faster and easier through simpler registration processes, time limits, and business licensing reforms. Similarly, it reduced the time required to obtain a construction permit by 77 days by introducing a 30-day statutory time limit and eliminating the requirement for a signature by the minister of public works on small to medium-size construction projects. Liberia also cut building permit fees in half. The country eased access to credit by establishing a database with credit information on borrowers at the Central Bank of Liberia. The database focuses primarily on delinquent borrowers, helping to improve the risk management tools of financial institutions. Finally, Liberia also reformed in trading across borders, reducing fees for customs clearance and port and terminal handling.

Namibia	Namibia reduced the time required for business start-up by a month by reengineering the company registry and introducing a new information technology system.
Senegal	Senegal's one-stop shop for business start-up became fully operational, merging more than half the procedures and speeding the process as a result. Similarly, the introduction of time limits at the Land Registry and the Directorate of Taxes and Property sped property registration. The top reformer globally in easing trade, Senegal introduced a single window for customs clearance, cutting document requirements in half. It also set up an electronic data interchange system, implemented risk-based inspections, extended the operating hours of customs, and improved port and road infrastructure.
South Africa	In South Africa entrepreneurs starting a business no longer have to obtain legal assistance or have their incorporation documents notarized, thanks to amendments to the Corporate Act. These amendments also allow electronic submission of documents and publication, easing business start-up. In addition, the government reduced the tax burden by eliminating the regional establishment levy and regional services levy.
Uganda	In Uganda no major reforms were recorded.

APPENDICES

Starting a Business in Liberia

This table summarizes the procedures and costs associated with setting up a business in Liberia.

STANDARDIZED COMPANY

Legal Form: Private Limited Company

Minimum Capital Requirement:

City: Monrovia

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Reserve company name and file Articles of Incorporation at the Ministry of Foreign Affairs desk at the Ministry of Finance	2 days	no charge
2	Obtain TIN and pay fees at the Ministry of Finance	2 days	USD 20
3	Obtain Ministry of Foreign Affairs' approval	1- 2 days	no charge
4	Submit registration application to Ministry of Commerce (MOCI) and pick up payment slip	2 days	see comments
5	Pay fees at the Ministry of Finance annex of the central bank	1 day	included in procedure 4
6	Obtain formal registration from MOCI	2 days	no charge
7	Register with Social Security	1 week	no charge
8	Obtain Environmental Impact Assessment	1 to 2 weeks	no charge

Procedure 1 Reserve company name and file Articles of Incorporation at the Ministry of Foreign Affairs desk at the Ministry of Finance

Time to complete: 2 days

Cost to complete: no charge

Comment: The Ministry of Foreign Affairs (MOFA) relocated an official to the Ministry of Finance to facilitate the business registration process. The applicant visits the Ministry of Finance, search and reserve the company name, and files Articles of Incorporation. The MOFA reviews Articles of Incorporation and provides applicant with payment assessment. Then the applicant pays associated calculated based on the company's shared capital (20%).

Procedure 2 Obtain TIN and pay fees at the Ministry of Finance

Time to complete: 2 days

Cost to complete: USD 20

Comment: The applicant obtains Tax Identification Number (TIN) and bank payment slip from the Ministry of Finance and then makes payment at the central bank annex at the Ministry of Finance fees and obtain receipt.

Procedure 3 Obtain Ministry of Foreign Affairs' approval

Time to complete: 1- 2 days

Cost to complete: no charge

Comment: The applicant submits receipt of payment to the Ministry of Foreign Affairs desk located at the Ministry of Finance and obtain approval.

Procedure 4 Submit registration application to Ministry of Commerce (MOCI) and pick up payment slip

Time to complete: 2 days

Cost to complete: see comments

Comment: After approval from the MFA, the applicant also has to register his business with MOCI by submitting a copy of the official (signed) Articles of Incorporation as well as a completed Business Registration Application and receives payment assesment.The costs associated with the MOCI registration amount to LRD 8200. The break down of the fee is as follows:
Business License fee: LRD 4200
Business Registration: RD 4000

Procedure 5 Pay fees at the Ministry of Finance annex of the central bank

Time to complete: 1 day

Cost to complete: included in procedure 4

Comment: After the payment is made at the Central Bank, the MOCI issues a Registration Certificate.

Procedure 6 Obtain formal registration from MOCI

Time to complete: 2 days

Cost to complete: no charge

Comment: The applicant submits the receipt at MOCI and obtains incorporation certificate.

Procedure 7 Register with Social Security

Time to complete: 1 week

Cost to complete: no charge

Comment: Employees are enrolled in the Social Security program by paying the required contribution to the National Social Security and Welfare Corporation. Additionally, the employer must send a formal communication of recruitment and commencement to the Ministry of labor.

Procedure 8 Obtain Environmental Impact Assessment

Time to complete: 1 to 2 weeks

Cost to complete: no charge

Comment: General industrial businesses are required to submit a letter of intent to the Environmental Protection Agency, after which an Environmental Impact Assessment has to be prepared.

Dealing with Construction Permits in Liberia

The table below summarizes the procedures, time, and costs to build a warehouse in Liberia.

BUILDING A WAREHOUSE

Date as of: January 2, 2008

Estimated Warehouse Value:

City: Monrovia

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Submit application letter and supporting documents to Ministry of Public Works	1 day	no charge
2	Receive inspection from Zoning Division, Ministry of public works	1 day	no charge
3	Obtain payment slip from the MPW and pay fees at the Central Bank	1 day	USD 700
4	Obtain design approval from MPW	28 days	no charge
5	Request and obtain a tax waiver from the Ministry of Finance	14 days	no charge
6 *	Obtain construction permit from the City Corporation of Monrovia	2 days	USD 6,720
7	Receive inspection from MPW - I	1 day	no charge
8	Receive inspection from MPW - II	1 day	no charge
9	Receive inspection from MPW - III	1 day	no charge
10	Receive inspection from MPW - IV	1 day	no charge
11	Receive inspection from MPW - V	1 day	no charge
12	Receive inspection from MPW - VI	1 day	no charge
13	Receive inspection from MPW - VII	1 day	no charge
14	Receive inspection from MPW - VIII	1 day	no charge
15	Receive inspection from MPW - IX	1 day	no charge

16	Receive inspection from MPW - X	1 day	no charge
17	Receive inspection from MPW - XI	1 day	no charge
18	Receive inspection from MPW - XII	1 day	no charge
19	Buy and install a generator to obtain power connection	7 days	USD 84,000
20	Register with Liberia Telecom	1 day	no charge
21 *	Obtain fixed telephone line	270 days	LRD 250
22	Register with the water company	1 day	no charge
23	Receive inspection from Water and Sewer Corporation	1 day	no charge
24 *	Obtain water and sewerage connection	14 days	USD 54
25	Register the building at Probate Court	3 days	LRD 300

* Takes place simultaneously with another procedure.

Procedure 1 Submit application letter and supporting documents to Ministry of Public Works

Time to complete: 1 day

Cost to complete: no charge

Comment: The application file should include 2 copies of the site plan; the land deed; and the architectural, structural, and mechanical drawings. These documents are passed from one official to another for approval (10 in total) at the Ministry of Public Works (MPW) before the building permit is issued.

- The documents are submitted internally at the MPW in the following order:
1. Office of the Assistant Minister, Technical (initial recipient).
 2. Land-Use Planning and Zoning Division (initial site plan and document review). There are no thorough checks with the National Archives on the authenticity of the land documents. Ensuring that is the responsibility of the owner of the warehouse.
 3. Chief of Zoning (physical site approval).
 4. Chief of Architecture (design approval).
 5. Chief of Engineering (structural approval and billing).
 6. Chief of Electromechanical Engineering (electrical and mechanical approval).
 7. Finance Section (payments).
 8. Office of the Deputy Minister, Technical Services (permit attached).
 9. Land-Use Planning and Programming (signature on permit).
 10. Office of the Minister (signature on permit).

If, at any of the above stages, one of the officials denies approval, the application is returned to the owner to make the necessary corrections.

A temporary building permit can be granted after the second step above, when the Land-Use Planning and Zoning Division conducts an initial site plan and document review. This temporary permit could be obtained within a week. It is granted for a maximum of 90 days, but this is an exception rather than the rule.

In practice, a permit is accorded after all steps mentioned above have been completed. As a result of the weak enforcement of building regulations, partly a result of the post-conflict situation, many private construction projects take place without following the official guidelines.

Procedure 2 Receive inspection from Zoning Division, Ministry of public works

Time to complete: 1 day

Cost to complete: no charge

Comment: It takes about 3 days for the Zoning Division to process an application. The zoning division will contact the applicant to inform them that they will need an inspection. There are only 4 inspectors and resources are limited, so the applicant has to provide transportation for them.

Procedure 3 Obtain payment slip from the MPW and pay fees at the Central Bank

Time to complete: 1 day

Cost to complete: USD 700

Comment: Once all the technical departments have reviewed the application, the Finance Department creates a payment slip. The applicant must come pick up the payment slip and then go the Central Bank to pay the fees.

Procedure 4 Obtain design approval from MPW

Time to complete: 28 days

Cost to complete: no charge

Comment: The applicant must return to MPW with payment receipt. The application is then processed for final approval. The construction permit requires 4 signatures including: Assistant Planning Minister of Programming (position currently unfilled so the Chief of Zoning signs off instead); Assistant Minister of Technical Services; Deputy Minister for Technical Services, Minister of Public Works. Sometimes when the Minister receives the application, he will arbitrarily decide to check the plans himself, this further contributes to the long delays.

The process at the Ministry of Public Works from submission of plans (procedure 1) to approval can take between 1-3 months. However, a 3-month wait is the norm if no constant follow-up is done or no extra payments are offered to officials. According to some practioners if tips are offered, the approval can be ready within 72 hours.

Procedure 5 Request and obtain a tax waiver from the Ministry of Finance

Time to complete: 14 days

Cost to complete: no charge

Comment: All builders are eligible for a 5-year property and land tax waiver upon the commencement of their building. This waiver is meant to help alleviate the financial cost of putting up a building. Even if the building is completed within the 5 years, the waiver is still valid.

BuildCo need not submit documents other than those that were submitted at the Ministry of Public Works when applying for a building permit. All that is needed to be done at this stage is to fill out an application form at the Ministry of Finance (and show the building permit).

Procedure 6 Obtain construction permit from the City Corporation of Monrovia

Time to complete: 2 days

Cost to complete: USD 6,720

Comment: After obtaining the design approval from MPW, BuildCo must obtain a separate construction permit from the Planning Department at City Hall. The Planning Department takes 1 day to review the plans and then prepares a payment slip which is usually paid the next day.

For commercial buildings, the City Corporation of Monrovia charges a fee of 3% of the building permit value (in this case USD 700). However, practioners note that this fee is "negotiable." There are no fee schedules posted at City Hall and often, builders are asked to pay much higher fees.

Procedure 7 Receive inspection from MPW - I

Time to complete: 1 day

Cost to complete: no charge

Comment: The construction of the warehouse can commence after the building permit is obtained. There is no requirement to request inspections at any stage of the construction process. However, building inspectors and engineers are often dispatched from the Ministry of Public Works to inspect construction sites to see to what extent the construction conforms with the originally submitted drawings. Over the course of 6–7 months, inspections occur randomly at a rate of every 3 weeks or as often as every week. The work stops only if there has been noncompliance with the plans.

Procedure 8 Receive inspection from MPW - II

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 9 Receive inspection from MPW - III

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 10 Receive inspection from MPW - IV

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 11 Receive inspection from MPW - V

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 12 Receive inspection from MPW - VI

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 13 Receive inspection from MPW - VII

Time to complete: 1 day
Cost to complete: no charge
Comment:

Procedure 14 Receive inspection from MPW - VIII

Time to complete: 1 day
Cost to complete: no charge
Comment:

Procedure 15 Receive inspection from MPW - IX

Time to complete: 1 day
Cost to complete: no charge
Comment:

Procedure 16 Receive inspection from MPW - X

Time to complete: 1 day
Cost to complete: no charge
Comment:

Procedure 17 Receive inspection from MPW - XI

Time to complete: 1 day
Cost to complete: no charge
Comment:

Procedure 18 Receive inspection from MPW - XII

Time to complete: 1 day
Cost to complete: no charge
Comment:

Procedure 19 Buy and install a generator to obtain power connection

Time to complete: 7 days

Cost to complete: USD 84,000

Comment: Because of the war, much of Liberia's infrastructure is destroyed or dilapidated. Most of the electricity is generated through private generators. The electricity corporation provides power for very limited public use such as street lights although an expansion project is planned for 2008. People buy their own generators!

BuildCo has to pre-order generators 6-8 weeks in advance. Estimates for time and cost vary greatly and depend on whether BuildCo installs only one 140 kVa generator (unlikely because there would be no backup generator) or one 150 kVa generator and a backup 70 kVa generator. Caterpillar, the main supplier of generators doesn't make a 140 kVa generator, so BuildCo would either have to buy a standard size or special order the generator at a higher cost. Doing Business assumes that BuildCo will need 1 standard 150 kVa generator and 1 backup 70 kVa generator. BuildCo will also need to synchronize the generators and build a generator house for them.

Procedure 20 Register with Liberia Telecom

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 21 Obtain fixed telephone line

Time to complete: 270 days

Cost to complete: LRD 250

Comment: Liberia Telecom is currently not offering any new fixed line phone connections to private customers. Hence, customers request mobile telephone connections for business purposes. New connections for fixed lines are expected to be available again as of April 2008. The cost of connecting to a fixed line telephone used to be of the same order as the one for a water connection (assumed to be about LRD 250).

Procedure 22 Register with the water company

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 23 Receive inspection from Water and Sewer Corporation

Time to complete: 1 day

Cost to complete: no charge

Comment: The Water and Sewer Corporation inspects the site to prepare a cost estimate for the pipes and installation.

Procedure 24 Obtain water and sewerage connection

Time to complete: 14 days

Cost to complete: USD 54

Comment: Water connections can be made if existing pipelines pass through the construction site. If that is the case, then water connection should take 1–2 weeks. The cost for water connection includes LRD 250 for the connection itself and USD 50 for the meter. If a water pipeline does not pass through the area, then BuildCo must buy all the necessary materials to extend an existing pipeline to the construction site before the connection is made. This will inevitably add cost and time to the utility connection process. In the case considered here, it is assumed that it is not necessary to purchase materials because the site is 10 meters from the water main.

Procedure 25 Register the building at Probate Court

Time to complete: 3 days

Cost to complete: LRD 300

Comment: This registration of the completed building occurs in two stages. First BuildCo must register the building with the Probate Court, similar to a notarization procedure. Registration at the Probate Court takes 3 days and costs LRD 300. The case considered here assumes that BuildCo does not employ a lawyer (lawyer’s fees would amount to USD 250). Registration is not required, but companies do so to increase the resale value.

Employing Workers in Liberia

Employing workers indices are based on responses to survey questions. The table below shows these responses in Liberia.

Employing Workers Indicators (2008)	Answer	Score
Rigidity of Employment Index		31.1
Difficulty of Hiring Index		33.3
Are fixed-term contracts prohibited for permanent tasks?	No	0
What is the maximum duration of fixed-term contracts (including renewals)? (in months)	No limit	0.0
What is the ratio of mandated minimum wage to the average value added per worker?	2.11	1.00
Rigidity of Hours Index		20.0
Can the workweek extend to 50 hours (including overtime) for 2 months per year to respond to a seasonal increase in production?	Yes	0
What is the maximum number of working days per week?	6	0
Are there restrictions on night work?	No	0
Are there restrictions on "weekly holiday" work?	No	0
What is the paid annual vacation (in working days) for an employee with 20 years of service?	24	1
Difficulty of Firing Index		40.0
Is the termination of workers due to redundancy legally authorized?	Yes	0
Must the employer notify a third party before terminating one redundant worker?	Yes	1
Does the employer need the approval of a third party to terminate one redundant worker?	No	0
Must the employer notify a third party before terminating a group of 25 redundant workers?	Yes	1
Does the employer need the approval of a third party to terminate a group of 25 redundant workers?	No	0
Is there a retraining or reassignment obligation before an employer can make a worker redundant?	No	0
Are there priority rules applying to redundancies?	Yes	1
Are there priority rules applying to re-employment?	Yes	1

Firing costs (weeks of salary)	84.3
What is the notice period for redundancy dismissal after 20 years of continuous employment? (weeks of salary)	4.3
What is the severance pay for redundancy dismissal after 20 years of employment? (weeks of salary)	80.0
What is the legally mandated penalty for redundancy dismissal? (weeks of salary)	0.0

Note: The first three indices measure how difficult it is to hire a new worker, how rigid the regulations are on working hours, and how difficult it is to dismiss a redundant worker. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The overall Rigidity of Employment Index is an average of the three indices.

Registering Property in Liberia

This topic examines the steps, time, and cost involved in registering property in Liberia.

STANDARDIZED PROPERTY

Property Value: 471,900.16

City: Monrovia

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Parties pick up and fill a standard deed form	1 day	no cost
2	Buyer contacts a surveyor to conduct the survey of the property	21 days	no cost
3	Buyer obtains the report/filled deed from surveyor and pays his fees	1 day	USD 50
4	Parties present a lawyer with the deed and request that he starts the official transfer process	1 day	no cost
5	Lawyer visits the probate court and asks judge to do a check on the property	3 days	USD 50
6	Lawyer visits Bureau of Surveys to check if another survey has been conducted on the property	4 days	USD 18
7	Lawyer visits Registry to check the status and ownership of the property	4 days	USD 50
8	Lawyer visits Bureau of Internal Revenue of the Ministry of Finance (Real Estate Division) to check for outstanding taxes on the property	3 days	no cost
9	Parties sign the deed form at the lawyer's office	1 day	no cost
10	Lawyer visits Probate Court to request the transfer	7 days	no cost
11	Parties register the deed at the Registry	2 days	no cost
12	Parties obtain the registered deed certificate from the lawyer and pay the legal fees	1 day	10 - 15% property value

13	Seller goes to Bureau of Internal Revenues to change the owner's name on the property	1 day	no cost
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Procedure 1 Parties pick up and fill a standard deed form

Time to complete: 1 day

Cost to complete: no cost

Comment:

Procedure 2 Buyer contacts a surveyor to conduct the survey of the property

Time to complete: 21 days

Cost to complete: no cost

Comment:

Procedure 3 Buyer obtains the report/filled deed from surveyor and pays his fees

Time to complete: 1 day

Cost to complete: USD 50

Comment:

Procedure 4 Parties present a lawyer with the deed and request that he starts the official transfer process

Time to complete: 1 day

Cost to complete: no cost

Comment:

Procedure 5 Lawyer visits the probate court and asks judge to do a check on the property

Time to complete: 3 days

Cost to complete: USD 50

Comment:

Procedure 6 Lawyer visits Bureau of Surveys to check if another survey has been conducted on the property

Time to complete: 4 days

Cost to complete: USD 18

Comment:

Procedure 7 Lawyer visits Registry to check the status and ownership of the property

Time to complete: 4 days

Cost to complete: USD 50

Comment:

Procedure 8 Lawyer visits Bureau of Internal Revenue of the Ministry of Finance (Real Estate Division) to check for outstanding taxes on the property

Time to complete: 3 days

Cost to complete: no cost

Comment:

Procedure 9 Parties sign the deed form at the lawyer's office

Time to complete: 1 day

Cost to complete: no cost

Comment:

Procedure 10 Lawyer visits Probate Court to request the transfer

Time to complete: 7 days

Cost to complete: no cost

Comment: The lawyer visits the Probate Court to request the transfer (1 business day). The Court will then publish a notice of the transaction for 4 business days. If there are no objections, on the fifth business day, the lawyer can pick up the deed with the seal of approval from the Court.

Procedure 11 Parties register the deed at the Registry

Time to complete: 2 days

Cost to complete: no cost

Comment:

Procedure 12 Parties obtain the registered deed certificate from the lawyer and pay the legal fees

Time to complete: 1 day

Cost to complete: 10 - 15% property value

Comment:

Procedure 13 Seller goes to Bureau of Internal Revenues to change the owner's name on the property

Time to complete: 1 day

Cost to complete: no cost

Comment: Without this step, the seller might still be charged property tax on the property in his name.

Getting Credit in Liberia

The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in Liberia.

Getting Credit Indicators (2008)			Indicator
			score
Private bureau coverage (% adults)	Private credit bureau	Public credit registry	1
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	No	0
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	No	0
Coverage		0.0	0.3
Number of individuals		0	..
Number of firms		0	..

Legal Rights Index	4
Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?	Yes
Does the law allow businesses to grant a non possessory security right in a single category of revolving movable assets, without requiring a specific description of the secured assets ?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of the secured assets ?	No
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?	No
Is a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties ?	No
Is a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right ?	No
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?	Yes
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?	No

During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?

Yes

Does the law authorize parties to agree on out of court enforcement?

Yes

Protecting Investors in Liberia

The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in Liberia.

Protecting Investors Data (2008)	Indicator
Disclosure Index	4
What corporate body provides legally sufficient approval for the transaction? (0-3; see notes)	2
Immediate disclosure to the public and/or shareholders (0-2; see notes)	0
Disclosures in published periodic filings (0-2; see notes)	0
Disclosures by Mr. James to board of directors (0-2; see notes)	2
Requirement that an external body review the transaction before it takes place (0=no, 1=yes)	0
Director Liability Index	1
Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company. (0-2; see notes)	0
Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for for damage to the company. (0-2; see notes)	0
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff (0-2; see notes)	0
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether fines and imprisonment can be applied against Mr. James (0=no, 1=yes)	0
Shareholder plaintiff's ability to sue directly or derivatively for damage the transaction causes to the company (0-1; see notes)	1
Shareholder Suits Index	6
Documents available to the plaintiff from the defendant and witnesses during trial (0-4; see notes)	3
Ability of plaintiffs to directly question the defendant and witnesses during trial (0-2; see notes)	2
Plaintiff can request categories of documents from the defendant without identifying specific ones (0=no, 1=yes)	0
Shareholders owning 10% or less of Buyer's shares can request an inspector investigate the transaction (0=no, 1=yes)	0

Level of proof required for civil suits is lower than that for criminal cases (0=no, 1=yes)	1
Shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit (0=no, 1=yes)	0

Investor Protection Index

3.7

Notes:

Extent of Disclosure Index

What corporate body provides legally sufficient approval for the transaction?

0=CEO or managing director alone; 1=shareholders or board of directors vote and Mr. James can vote; 2=board of directors votes and Mr. James cannot vote; 3 = shareholders vote and Mr. James cannot vote

Immediate disclosure to the public and/or shareholders

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures in published periodic filings

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures by Mr. James to board of directors

0=none; 1=existence of a conflict without any specifics; 2= full disclosure of all material facts

Director Liability Index

Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company

0= Mr. James is not liable or liable only if he acted fraudulently or in bad faith; 1= Mr. James is liable if he influenced the approval or was negligent; 2= Mr. James is liable if the transaction was unfair, oppressive or prejudicial to minority shareholders

Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company

0=members of the approving body are either not liable or liable only if they acted fraudulently or in bad faith; 1=liable for negligence in the approval of the transaction; 2=liable if the transaction is unfair, oppressive, or prejudicial to minority shareholders

Whether a court can void the transaction upon a successful claim by a shareholder plaintiff

0=rescission is unavailable or available only in case of Seller's fraud or bad faith; 1=available when the transaction is oppressive or prejudicial to minority shareholders; 2=available when the transaction is unfair or entails a conflict of interest

Shareholder plaintiffs' ability to sue directly or derivatively for damage the transaction causes to the company

0=not available; 1=direct or derivative suit available for shareholders holding 10% of share capital or less

Shareholder Suits Index

Documents available to the plaintiff from the defendant and witnesses during trial

Score 1 each for (1) information that the defendant has indicated he intends to rely on for his defense; (2) information that directly proves specific facts in the plaintiff's claim; (3) any information that is relevant to the subject matter of the claim; and (4) any information that may lead to the discovery of relevant information.

Ability of plaintiffs to directly question the defendant and witnesses during trial

0=no; 1=yes, with prior approval by the court of the questions posed; 2=yes, without prior approval

Paying Taxes in Liberia

The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Liberia, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Value added tax (VAT)	12		41	7.0%	value added		
Stamp duty	1						
Vehicle tax	1				value of vehicle	0.00	
Tax on interest	0	withheld		10.0%	Money market account interest	0.26	
Fuel tax	1				fuel consumption	0.81	
Property tax	1			7.0%	Assessed Value of building	4.51	
Social security contributions	12		59	3.0%	gross salaries	5.36	
Corporate income tax	4		57	35.0%	profitable income	25.11	
Totals	32		158			35.8	

Notes:

- a) data not collected
- b) VAT is not included in the total tax rate because it is a tax levied on consumers
- c) very small amount
- d) included in other taxes
- e) Withheld tax
- f) electronic filling available
- g) paid jointly with another tax

Name of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

When there is more than one statutory tax rate, the one applicable to TaxpayerCo is reported.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

Trading Across Borders in Liberia

These tables list the procedures necessary to import and exports a standardized cargo of goods in Liberia. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2008)	Duration (days)	US\$ Cost
Documents preparation	9	350
Customs clearance and technical control	6	355
Ports and terminal handling	2	127
Inland transportation and handling	3	400
Totals	20	1232

Nature of Import Procedures (2008)	Duration (days)	US\$ Cost
Documents preparation	10	480
Customs clearance and technical control	2	355
Ports and terminal handling	3	127
Inland transportation and handling	2	250
Totals	17	1212

Export

Bill of lading

Cargo release order

Certificate of origin

Commercial invoice

Customs export declaration

Export license

Inspection report

Packing list

Tax certificate

Terminal handling receipts

Import

Bill of lading

Cargo release order
Certificate of origin
Commercial invoice
Customs import declaration
Import license
Inspection report
Packing list
Terminal handling receipts

Enforcing Contracts in Liberia

This topic looks at the efficiency of contract enforcement in Liberia.

Nature of Procedure (2008)	Indicator
Procedures (number)	41
Duration (days)	1280
Filing and service	10.0
Trial and judgment	730.0
Enforcement of judgment	540.0
Cost (% of claim)*	35.00
Attorney cost (% of claim)	30.1
Court cost (% of claim)	1.9
Enforcement Cost (% of claim)	3.0

Court information: Monrovia Debt Court

* Claim assumed to be equivalent to 200% of income per capita.



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